

A G E N D A

SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION

1333 Main Street, 5th Floor
Columbia, South Carolina 29201

Monday, May 17, 2010 – 10:30 a.m.

Commission Hearing Room A

BUSINESS MEETING

1. APPROVAL OF AGENDA OF BUSINESS MEETING
OF MAY 17, 2010 *CHAIRMAN ROCHE*
2. APPROVAL OF MINUTES OF BUSINESS MEETINGS
OF APRIL 19, 2010 (Tab 1) *CHAIRMAN ROCHE*
3. GENERAL ANNOUNCEMENTS *MR. CANNON*
4. APPLICATIONS FOR APPROVAL TO SELF-INSURE (Tab 2) *MR. SMITH*
5. DEPARTMENT DIRECTORS' REPORTS

Administration – Financial Report (Tab 3) *MS. HORNSBY*
Information Services (Tab 4) *MS. HARTMAN*
Insurance & Medical Services (Tab 5) *MR. McCUTCHEON*
Claims (Tab 6) *MR. LINE*
Judicial (Tab 7) *MS. CROCKER*
6. EXECUTIVE DIRECTOR'S REPORT (Tab 8) *MR. CANNON*
7. OLD BUSINESS *CHAIRMAN ROCHE*
A. Agency Gift Policy (Tab 9)
8. NEW BUSINESS *CHAIRMAN ROCHE*
9. ADJOURNMENT *CHAIRMAN ROCHE*

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THE
SOUTH CAROLINA WORKERS' COMPENSATION COMMISSION
BUSINESS MEETING

April 19, 2010

A Business Meeting of the South Carolina Workers' Compensation Commission was held in Hearing Room A of the Workers' Compensation Commission on Monday, April 19, 2010 at 10:30 a.m. The meeting agenda was posted prior to the meeting and proper advance notice was made to all concerned parties in adherence with the Freedom of Information Act. The following Commissioners were present at the meeting:

ANDREA C. ROCHE, CHAIRMAN
SUSAN S. BARDEN, VICE CHAIR
DAVID W. HUFFSTETLER, COMMISSIONER
G. BRYAN LYNDON, COMMISSIONER
DERRICK L. WILLIAMS, COMMISSIONER
AVERY B. WILKERSON, JR., COMMISSIONER
T. SCOTT BECK, COMMISSIONER

Present also were Gary M. Cannon, Executive Director, Betsy Hartman, DSIT, Kristi Hornsby, Director of Administration, Greg Line, Claims Director, Al McCutcheon, Director of Insurance and Medical Services, Virginia Crocker, Judicial Department Director, W.C. Smith, Self-Insurance Director, Amanda Underhill, Senior Application Analyst, and Jennifer Neese, Executive Assistant. Visitors present were Clara Smith and Kenny Harrell, South Carolina Injured Workers' Advocates, Bob Herlong, PCI and Marcia Lindsay, Beverly Riley and Eric Douglass, Legislative Audit Council.

Chairman Roche called the meeting to order at 10:31 a.m.

AGENDA

Commissioner Lyndon moved that the April 19, 2010 agenda be approved. Commissioner Williams seconded the motion and the motion was approved.

APPROVAL OF MINUTES - BUSINESS MEETING OF MARCH 15, 2009

Commissioner Barden moved that the minutes of the Business Meeting of March 15, 2010 be approved. Commissioner Lyndon seconded the motion and the motion was approved.

GENERAL ANNOUNCEMENTS

There were no general announcements.

APPLICATIONS FOR APPROVAL TO SELF-INSURE

Self-insurance applications were presented by W.C. Smith, Self-Insurance Director. Ten (10) prospective member of two (2) funds were presented for approval by the Commission. The applications were as follows:

S. C. Home Builders SIF

Barrette Construction
Beckum Construction Co., Inc.
Coastal Granite & Sons
Eladio Dominguez d/b/a Everlasting Construction, LLC
H. Preston Walter Construction, LLC
Hudson Construction of Oconee, Inc.
Second South Properties & Construction, LLC
Superior Contractor Services, LLC

Palmetto Timber

Owens Logging
Stephen L. Whittle Logging, LLC

After examination of the applications, it was determined that each complied with the Commission's requirements and each was recommended for approval. Commissioner Wilkerson made the motion to approve the applications to self-insure and Commissioner Lyndon seconded the motion. The motion was unanimously approved.

DIVISION DIRECTORS' REPORTS

The Division Directors presented their reports which were also submitted to the Commission in written form.

Administration Department

Kristi Hornsby presented the financial report for the seven month period ending March 31, 2010. All expenses for March were received and paid timely. There were no unique expenses or situations to report for the month of March. We are on target with our spending benchmark for the year in general fund and earmarked funds.

Information Services

Betsy Hartman presented the Information Services Department's report with no questions from the Commission.

Insurance & Medical Services

Al McCutcheon presented the Insurance and Medical Services Department's report.

Claims Department

Greg Line presented the Claims Department's report with no questions from the Commission.

Judicial Department

Virginia Crocker presented the Judicial Department's report. Ms. Crocker reported on the Hampton County mediations. There are currently seven hundred and ninety two (792) International Paper cases along with two hundred and sixty (260) Westinghouse cases. Commissioner Williams is the Administrative Commissioner in these matters. The parties are negotiating the settlement of forty (40) cases as a group to determine the relative value with a consideration of global settlement. The Hampton County mediations memorandum was included in the meeting material.

EXECUTIVE DIRECTOR'S REPORT

Mr. Cannon reported on the following items:

Mediation Service

Ms. Crocker participated in mediations April 5-7 and 13-14 in North Charleston involving seven hundred and ninety two (792) claims from employees of International Paper cases and two hundred and sixty (260) claims from employees of Westinghouse. A more detailed report may be found behind Tab 7.

Legislative Audit Council

The audit team completed the survey portion of the audit. I anticipate having the letter from the audit team outlining the scope and schedule by April 16, 2010. Members of the audit team will attend the Business Meeting on the 19th to observe the proceedings.

SCWCEA Medical Seminar

Chairman Roche, Commissioner Beck, Commissioner Wilkerson and Commissioner Williams and the Executive Director participated in the program of the SCWCEA Medical Conference on February 28 through March 2.

Advisory Committee – Medical Fee Schedule

The Advisory Committee conducted its initial meeting on March 15. All twenty-two members were present. The Committee discussed its charge and Chairman Mark Arden requested each member prepare a one page briefing paper on their organization's position on the issues for discussion at the meeting on April 15.

Workers' Compensation Advisory Committee (\$42-3-120)

The Governor's Advisory Committee has scheduled a meeting on April 30, 2010 at 12:00 p.m. at 1201 Main Street in Columbia. The Committee will hear presentations from invited organizations and discuss their report to the General Assembly.

Commissioner Huffstetler suggested that anyone who has not read the Advisory Committee's recommendation should read them. There are two experienced workers' compensation attorneys that serve on that committee and those recommendations would send several additional responsibilities to the Commission, and generally speaking, with no funding, no training, no thought of expertise and no thought of resources. They would have the Commission issuing "stop work orders" on construction projects because the Commissioners would make a finding that it was a danger to public safety, health and

welfare. They would have us conducting audits on behalf of insurance companies and conducting hearings to determine if premiums were adequate, etc.

Commissioner Barden asked if there are any other substantive statutory changes in addition to the additional duties that Commission Huffstetler mentioned.

Mr. Cannon replied that the recommendation primarily deals with compliance and coverage issues and he will send a copy of the report to the Commissioners.

Fines and Assessments Activities

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for FY 2009-10. Also attached are reports from the Insurance and Medical Services and Claims Departments discussing the efforts to assess and collect the fines and judgments.

Personnel

Director of Coverage - Wayne Ducote, Compliance Officer in the Compliance Division of the Insurance and Medical Services Department has been selected to fill the vacant Director of Coverage position in that department. Wayne was selected from 78 applicants. Wayne began his employment with the Commission in his current position in November 2005. Prior to coming to the Commission Wayne worked in the private sector for over 12 years. Wayne is a 1992 graduate of the University of South Carolina with a Bachelor of Science in Business Administration/Personnel Management.

The Insurance and Medical Services Department is in the process of reviewing applications for the Compliance Officer position vacancy created by the promotion of Wayne Ducote.

All Employee Meeting

The next all employee meeting is scheduled for April 22, 2010 at 10:30 a.m. in the conference room on the first floor.

Commissioner Wilkerson asked that he be provided the files set for Show Cause hearings in April. Commissioner Barden personally thanked Commissioner Wilkerson for agreeing to hear those cases.

OLD BUSINESS

There were no items of Old Business.

NEW BUSINESS

Under New Business, Mr. Cannon presented the Financial Contingency Plan.

The following is a review of the financial position of the agency and several scenarios considering the possible budget reductions that may be forthcoming to the agency.

Attached are the following data graphs:

1. General Fund Expenditures – April 2009 - March 2010
2. Earmarked Fund Revenues – April 2008 - March 2010
3. Earmarked Fund Expenditures – April 2009 - March 2010
4. Total Expenditures – May 2008 - March 2010
5. Earmarked Fund Balance – May 2008 - March 2010
6. Scenario 1 – 100% Elimination of General Fund Appropriation – Impact on Earmarked Fund Balance
7. Scenario 2 – 100% Elimination of Earmarked Fund Balance

Graphs were included in the meeting material.

Scenario 1 (Graph 6)

This graph depicts the impact on the Earmarked Fund Balance if the FY 2010-11 General Fund budget appropriation of \$1,945,437 is eliminated by the General Assembly. Based on the historical data shown in graph 2 we are conservatively estimating a monthly revenue stream for the Earmark Fund of \$250,000. At the current level of monthly expenditures of \$428,157 the Earmarked Fund Balance will be reduced from a little over \$2.7 million to \$591,237 by June 2011.

Scenario 2 (Graph 7)

This graph reflects the total monthly revenues and expenditures for the General Fund and the Earmarked Fund for FY 2010-11 using an annual appropriation of \$1,945,437 in the General Fund and \$3,192,454 in the Earmarked Fund. The total monthly revenue allocation is \$412,120. This total assumes a conservative estimate of \$250,000 per month revenue for the Earmarked Fund and a monthly allocation of \$162,120 from the General Fund. The combined monthly expenditure for both funds is \$428,157 leaving a monthly deficit between revenues and expenses of \$16,037. If use of the Earmarked Fund Balance of \$2,729,121 is prohibited by the General Assembly the options for dealing with the monthly deficit are eliminating expenditures or increasing revenues.

Mr. Cannon stated that Commissioner Huffstetler suggested the Commission delay assessing all fines so the due date would be after June 30, 2010. With regard to the payment of the fine, Regulation 67-1401 of the Commission's regulations states the fine must be either paid within thirty days or a written request must be submitted within thirty days contesting the assessment. Therefore, any fines assessed on or before June 1st are due by June 30th, making them potentially available to the General Assembly. Should the Commission direct staff to implement this strategy effective April 20th, an estimated \$300,000 of revenue would not be received until after June 30, 2010. He is not aware of any legal prohibitions from adopting this strategy. However, there are concerns of potential negative reactions from the Legislature.

Section 42-3-105 authorizes the Commission to retain and expend all revenues received as a result of the collection of fines and assessments for violations of the Workers' Compensation law. Should the General Assembly take the funds paid to the Commission under this statute a legal opinion may be required to determine if the Commission has a

legal challenge.

Mr. Cannon offered the following options:

Expenditure Reductions

Should reductions in the Commission's state appropriations occur the Commission may consider implementing the following strategies to implement a reduction in expenditures.

1. Conduct all Commissioner hearings in Columbia for a six month period. This may result in a \$63,754 potential savings in per diem, travel and state car use.
2. A ten day furlough for all employees whose annual salary is greater than \$50,000 and a five day furlough for all employees whose annual salary is less than \$50,000. Potential savings - \$76,388 (benefits not included).
3. A ten day furlough for all employees. Potential savings \$106,314 (benefits not included).
4. Reduction in force plan or prohibit the filling of vacant positions on unspecified positions. Potential savings \$100,000 (estimated).

Revenue Enhancement

1. Double the fines and assessments as authorized by §43-3-105.
2. Increase filing fees.

Commissioner Wilkerson stated he understands there are a lot of uncertainties and asked if there is a hard core plan in place which would accommodate any and all uncertainties if they should hit us.

Chairman Roche expressed her concerns regarding the manipulation of fines and what the Legislature would think and whether or not that would hurt the Commission. Also, does §43-3-105 allow the Commission to continue to double fines and the fact that the higher the fines the more compliance will occur which would in turn create diminishing returns.

Commissioner Wilkerson asked if this issue had been addressed with House and Senate subcommittees. Mr. Cannon replied that this had not been communicated to the chairman of the subcommittees. Commissioner Wilkerson asked if there was any thought pattern that eliminating what they appropriated in the next year or two would go away and we would just operate off of those funds. Mr. Cannon replied there was some discussion that if they eliminated all of our state appropriations then they would have to replace some of that and tie it to the workers' compensation premium.

Commissioner Huffstetler stated that the reason for a contingency plan is to anticipate "what if". What if the General Assembly sweeps all of the Commission's money and come July 1, 2010 all we have to operate with is appropriated funds. Earned funds represent sixty percent of our budget. The assessments that Mr. Cannon spoke about generate about 15 million and the Commission receives 2 million so we rely heavily on

earned funds.

Commissioner Huffstetler stated he received the contingency plan today and he has been asking about this for four months. He offered a suggestion and it may not be the best one but he has not heard any other suggestions to say there is a better way to do it. He hears the concerns. The plan addresses some things that we should raise as concerns. It talks about the statute and whether or not the carriers have to pay within thirty days. That's fine. They are the debtors. We are the one they owe the money to, so why can't we, like any other company, say that we are going to extend the thirty days and we do not expect payment till July. Maybe that is wrong, but this plan says "lets do nothing". And, if things go badly then let's get rid of people. That is a bad plan. Our employees count on us. We should consider this the same way as if it were our job. The people in this room need to think about if they would be the first one out the door. Would you make this same recommendation and agree to it if it were your job and not someone down the hall. That's how the plan should be viewed because our employees count on us. We're responsible. On one hand, why can't the Commission take the posture that we will extend the thirty day payment period. Do we risk the Legislature questioning what we are doing. Maybe so. One of the recommendations is to take legal action should they sweep our account. Be assured, the Legislature will be mad at us then. If we are willing to do that then why should we not be willing to take some creative approach to protect the money, if we can.

Commissioner Huffstetler stated his suggestion four months ago was to start this extended payment plan for April, May and June and by the projection of \$250,000 a month in earned revenue, we would have three quarters of a million dollars more to start the year with, if we at least try to protect the money. It was Commissioner Lyndon who said there is no expectation that 2011 or 2012 will be better and does not know why we assume that we are not going to get another cut in October or January. The last chart reviewed indicates that we will have a deficit of \$16, 037 per month assuming we keep all of the earned funds as they are. That's a \$194,000 on the year, assuming they don't take any more of our money away. It appears our answer to that is let's do nothing except if it goes badly, let's have layoffs and furloughs because somebody out there is going to lose their job and it's not going to be us. That is totally unacceptable to me. We are not showing responsibility to our employees, this agency or to our responsibilities to be efficient and to accomplish the work that we are charged to do. I'm not trying to be personally offensive; I find this totally unacceptable to me.

Chairman Roche stated the issue is being discussed today to determine whether or not this is something the Commission wants to do. She does not think that anyone is saying that they don't want to do it. She has concerns with delaying the assessment of the fines. Chairman Roche stated that she agreed with Commissioner Huffstetler that we have a duty to protect this agency and the employees as best we can. Commissioner Huffstetler did come up with this idea and it is a good idea for protecting the fund balance but her main concern is the effect on the Legislature. Will we be viewed as being good stewards to our agency or are we going to be viewed as trying to manipulate the system in order to keep our money.

Commissioner Wilkerson suggested the agency have several contingency plans to accommodate various scenarios.

Mr. Cannon asked to respond to a couple of comments by Commissioner Huffstetler. First, there is no recommendation in the contingency plan to furlough. Those were options presented to the Commission. Mr. Cannon does not want the employees to think that he has recommended a furlough or a reduction in force. Part of those options was a reduction in expenditures as well as other options. The contingency plan was presented to the Commission with several different options for review and consideration and any decision would have to be made by the Commission.

Chairman Roche asked for additional thoughts on the suggestion of deferring the fines.

Commissioner Lyndon suggested that it could be a viable option if the Commission try not to hide anything but be totally open about the contingency plan. The discussion is on the record now. Commissioner Lyndon referred to the four expenditure reduction options presented and asked if those could be extended in a spreadsheet to indicate exactly what it would take to operate the agency with the bare minimums, for example, no mail pick-up and how many people it would require. This doesn't suggest we have any fat because we are down from ninety employees to forty or forty-five. Commissioner Lyndon stated he would try to go the route of deferring the fines.

Commissioner Williams stated he does share in his colleague's passions and sentiments on certain parts of these issues and does agree that we need to be good stewards. As far as deferring the funds, Commissioner Williams expressed his concerns with the Commission being viewed as shady or under-handed and indicated that he was not for deferring the fines till July.

Chairman Roche stated her understanding is Commission Huffstetler suggested the Commission go ahead and assess the fines but delay the collections.

Commissioner Huffstetler stated this is being discussed in a public meeting which would indicate that the Commission is not trying to hide anything from the Legislature and asked what would be the harm in trying. This is to protect jobs but this is also to protect the integrity of the system. There are people outside of our employees who count on us to have timely hearings, get them benefits when they need them, get them medical treatment and compensation in these tough times, so it's also matter of maintaining the operation, to be efficient and get the people benefits that deserve them. The very definition of management is to manipulate the options to try and get the very best outcome. There was discussion.

Commissioner Beck stated, not being the only one on the Commission to have served in the Legislature, if you think every other state agency out there is not doing this very same thing to protect the integrity of their agency, then you are sadly mistaken. They are doing it now. The issue is whether it is underhanded or above board and the fact that it is being vetted this vigorously right here, then it is above board. Another area that is very

important, and obviously the employees of this agency are paramount to what we are doing and they are a top priority to the seven of us, but there are tens of thousands of citizens that will be affected by us not doing anything. Should the money dissipate, we would not hold hearings in sixty days; it would be one hundred twenty days if we get to this point. Commissioner Beck pointed out how upset the Legislature would be if we required all claimants to drive to Columbia for hearings because we are not traveling. Commissioner Beck stated there are a lot of options presented in the contingency plan that will cause the Legislature to be upset but most of those are not within our control because it's all money driven, and it is money driven as it relates to salaries. If we don't have the money, then we are not going to be able to do those things and whether or not it is deferring payment over a three month period to protect some of what the Legislature wants us to do, we are going to find ourselves in a bigger mess than we think.

Commissioner Lyndon asked if the information was available on the percentage that pays within thirty days. Ms. Underhill stated she not positive but believes it is about forty percent and approximately seventy-five percent pay within ninety days. She will run the reports and provide the data to the Commission.

Commissioner Beck asked Mr. Cannon if the option of deferring the due date of payment had been discussed with our Legislative counterparts, Representative Bingham and Senator McGill. Mr. Cannon replied that the option had not been discussed with them. There was discussion. Commissioner Beck stated if you are of the opinion that the code allows us to keep that money anyway, who cares when we make it due. If the statute says that money is to be retained and expended by this agency, I'm not sure, even if it were done underhanded and obviously it isn't being done, then it is a mute point.

Chairman Roche asked if any thought has been given to how to implement the deferring of payment. Commissioner Huffstetler stated you want to assess the fine but not collect it, whatever the mechanism. There was discussion.

Motion to Defer Collection of any Fines and Filling any Vacant Positions until July 2010

Commissioner Huffstetler moved to defer collection of any fines for the months of May and June 2010 until July 2010 and defer filling any vacant positions until July 2010. Commissioner Wilkerson seconded the motion with one caveat, if this passes; place a courtesy call to Senator McGill and Representative Bingham immediately. The motion was unanimously approved.

Request Authorization to Initiate the Process for Amending the Language in 67-406, 67-602 and Other Minor Non-Substantive Changes.

R 67-406 (F) (2)

At the September 28, 2010 Business Meeting Mr. Robert Herlong, SC Legislative and Legal Counsel for Property Casualty Insurance Association of America appeared before the Commission to request to change regulation 67-406. Mr. Herlong pointed out there is a conflict in the language between Section 38-75-730(5)(c) of the SC Code and WCC

Regulation 67-406 (F)(2). Regulation 67-406 (F)(2) states "...cancellation shall not be effective until thirty days from the date of receipt by NCCI..." Section 38-75-30 (5)(C) of the SC Code states "The policy may be canceled for any reason by furnishing to the insured at least thirty days' written notice of cancellation, except where the reason for cancellation is nonpayment of premium, in which case not less than ten days' written notice must be furnished."

R 67-1602

Currently the language in 67-602 requires the employer's representative to make each payment in the form of a check. A letter from Fred E. Karlinsky, Esq. who represents InsurCard Visa Prepaid Program to give carriers the option to pay claimants weekly benefits by check or pre-paid debit card was included in the meeting materials.

Chairman Roche and Commissioner Williams expressed concerns with the pre-paid cards regarding security and bill payment issues and also the proven fact that people spend more money with plastic prepaid cards.

Commissioner Huffstetler stated the Commission needs input from everyone because it is more than just the insurance industry wanting to cancel policies quicker and to pay with plastic. We have claimant's attorneys in this meeting and they need to think about how it impacts their clients; the business community needs to think about how it effects their employees; the UEF needs to have input: will they be drawn in to more cases because the employer didn't pay on time or they canceled quicker than they used to and the employer couldn't get coverage quick enough and now you have an employee hurt with no coverage. There are a lot of people who need to give input. Commissioner Wilkerson stated that would include the Guaranty Fund also.

Motion to Initiate the Process for Regulation 67-406(F)(2)

Commissioner Wilkerson moved to initiate the Process for Regulation 67-406(F)(2). Commissioner Williams seconded the motion and the motion was approved.

Motion to Carry-Over Pre-Paid Debit Card Issue

Commissioner Barden moved to carry-over the prepaid debit card issue. Commissioner Beck seconded the motion and the motion was approved.

Miscellaneous Non-substantive Changes

Since the approval of the amendments to the regulations on February 26, 2010 several minor typographical and other non-substantive errors in the new regulations have been discovered. Staff requests permission to draft grammatical corrections.

Motion to Allow Staff to Make Grammatical Corrections to the Amendments of the Regulations

Commissioner Barden moved to allow staff to make grammatical corrections. Commissioner Williams seconded the motion and the motion was approved.

Policy for Accepting Gifts to the Agency

Periodically business partners such as law firms and carriers give the agency cookies, candy, fruit and other edible products. The gifts are placed in the break room for all to share. On occasion area businesses have also provided the agency with complimentary sandwiches for all employees for the expresses intent of marketing their products. This activity raises the question "does the practice of accepting these items on behalf of all agency employees violate the agency's Administrative Policies and Procedures, State Ethics and/or the Judicial Code of Conduct?" The agency's Administrative Policies and Procedures "Staff Conduct and Behavior" Policy 1.04 dated March 2003 establishes the policy for the code of conduct for the Commission employees related to prohibited activities including the receipt of the gifts or gratuities by employees.

Chairman Roche asked for discussion on an agency wide policy. After discussion, it was the consensus of the Commission to establish an agency wide gift policy. Chairman Roche asked Mr. Cannon to write the policy and present to the Commission at the next Business Meeting for a vote.

Employee of the Year Award

Mr. Cannon advised that May 3, 2010 through May 7, 2010 is National Public Employee Recognition Week. In the past, the Commission has recognized employees with service award pins and awarded the Employee of the year at the Business Meeting in May. This was followed by a luncheon for all employees to thank them for their service to the agency.

The agency adopted the policy establishing the Employee of the Quarter/Year, Policy 2.29, in June 1990. Several internal and external environmental conditions now exist to cause the program to be re-evaluated.

Mr. Cannon recommended the following:

1. Continue the all employee luncheon immediately following the Business Meeting in May to recognize all employees for their service to the agency.
2. Suspend awarding the Employee of the Year Award for one year to allow the agency the opportunity to evaluate the program with input from all employees.
3. Award the service pin award at the employee luncheon so that all employees may participate in the presentation.

The Commission was in agreement with staff's recommendations but directed Mr. Cannon present the Employee of the Year Award this year and re-evaluate the program for next year.

ADJOURNMENT

Commissioner Williams made the motion to adjourn. Commissioner Huffstetler seconded the motion and the motion was approved.

The April 19, 2010 meeting of the South Carolina Workers' Compensation Commission
adjourned at 11:53 a.m.

Reported May 12, 2010
Kandee W. Johnson

INTEROFFICE MEMORANDUM

TO: GARY CANNON, EXECUTIVE DIRECTOR
FROM: KRISTI HORNSBY, DIRECTOR OF ADMINISTRATION
SUBJECT: FINANCIAL REPORT PERIOD ENDING APRIL 30, 2010
DATE: 5/13/2010

The finance report for the ten month period ending April 30, 2010, is attached.

- All expenses for April were received and paid timely.
- There were three payrolls processed during the month of April (1, 16, 30), therefore, the benchmarks for salaries is off due to this additional expenditure. The month of may will only have one payroll posting and the benchmark percentages will be back in line on that finance report.
- We are on right on target with our overall spending benchmark for the year in general fund. Even with the additional payroll posting in April we are 4.4% below the expenditure benchmark in earmarked funds.
- All fines received from May 1 through June 30 are being held until July 1 for deposit.
- Through April 30 we have collected \$390,534 more in revenue than our revised budget.

South Carolina Workers' Compensation Commission
Summary of Revenues and Expenditures
2009 - 2010 Budget
April 30, 2010

Benchmark 83.33%

STATE APPROPRIATIONS

General Appropriation	\$ 2,540,457		
Less: 4.04% Budget Reduction - Sept 2009	(102,566)		
Less: 5% Budget Reduction - Dec 2009	(121,895)		
General Appropriation	<u>\$ 2,315,996</u>	<u>\$ 1,929,997</u>	83.33%

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,786,871	\$ 1,578,575	\$ 208,296	88.3%
Other Operating Expenses	-	-	-	0.0%
Employer Contribution	529,125	469,885	59,240	88.8%
Total	<u>\$ 2,315,996</u>	<u>\$ 2,048,460</u>	<u>\$ 267,536</u>	<u>88.4%</u>

OTHER APPROPRIATIONS

EARMARKED

	Budgeted Revenues	Amended Revenues	Received thru 04/30/10	% Received
Training Conference Registration Fee	\$ 12,000	\$ 12,000	\$ 1,590	13.25%
Sale of Publication and Brochures	11,000	11,000	6,107	55.52%
Workers' Comp Award Review Fee	162,000	162,000	66,650	41.14%
Sale of Photocopies	95,000	95,000	77,921	82.02%
Workers' Compensation Filing Violation Fee	1,150,000	1,299,019	1,951,943	150.26%
Sale of Listings and Labels	70,000	70,000	30,242	43.20%
Workers' Comp Hearing Fee	600,000	600,000	505,100	84.18%
Earmarked Funds - Original Authorization	<u>\$ 2,100,000</u>	<u>\$ 2,249,019</u>	<u>\$ 2,639,553</u>	<u>117.36%</u>
BD100 to Increase Authorization - August 2009		544,787		
BD100 to Increase Authorization - Sept 2009		102,566		
Total Earmarked Revenues + Fund Balance		<u>\$ 2,896,372</u>		
Amendment to Revenue is for 5% Budget Cut		<u>\$ 149,019</u>		

Account Description	Appropriation	Expenditure	Balance	% Expended
Personal Services	\$ 1,078,718	\$ 884,026	\$ 194,692	82.0%
Taxable Subsistence	80,000	60,736	19,264	75.9%
Other Operating Expenses	1,392,996	1,061,151	331,845	76.2%
Employer Contribution	344,658	280,194	64,464	81.3%
Total Earmarked	<u>\$ 2,896,372</u>	<u>\$ 2,286,107</u>	<u>\$ 610,265</u>	<u>78.9%</u>

COMPUTER FUNDS CARRIED FORWARD \$ 261,868

Computer Services - Carry forward	\$ 261,868	\$ 158,298	\$ 103,570	60.4%
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TOTAL OTHER APPROPRIATIONS **\$ 3,420,108** **\$ 2,444,405** **\$ 713,835** **71.5%**

South Carolina Workers' Compensation Commission

2009 - 2010 Budget

April 30, 2010

Consolidated

	Year-To-Date : 83.3%							
	Original Budget	Budget Amendments	Amended Budget	Expended APRIL	Year to Date	%	Encumb	Balance
Commissioners								
Salaries	\$ 1,150,244	\$ -	\$ 1,150,244	\$ 145,155	\$ 996,038	87%	\$ -	\$ 154,206
Other Operating Expenditures								
Total Contractual Services	144,616	103,688	248,304	13,530	176,970	71%	-	71,334
Total Supplies & Materials	10,154	26,159	36,313	1,653	28,250	78%	-	8,063
Total Fixed Charges	93,301	66,351	159,652	11,420	135,365	85%	-	24,287
Total Travel	48,394	39,256	87,650	5,798	65,195	74%	-	22,455
Total Other Operating Exp	296,465	235,454	531,919	32,401	405,780	76%	-	126,139
Total Commissioners	\$ 1,446,709	\$ 235,454	\$ 1,682,163	\$ 177,556	\$ 1,401,818	83%	\$ -	\$ 280,345
Administration								
Salaries	\$ 519,136	\$ 1	\$ 519,137	\$ 63,276	\$ 456,597	88%	\$ -	\$ 62,540
Other Operating Expenditures								
Total Contractual Services	120,716	115,420	236,136	3,762	177,575	75%	-	58,561
Total Supplies & Materials	22,310	1,515	23,825	4,849	20,460	86%	-	3,365
Total Fixed Charges	93,507	42,806	136,313	7,756	116,119	85%	-	20,194
Total Travel	8,195	2,326	10,521	719	10,305	98%	-	216
Total Other Operating Exp	244,728	162,067	406,795	17,086	324,459	80%	-	82,336
Total Administration	\$ 763,864	\$ 162,068	\$ 925,932	\$ 80,362	\$ 781,056	84%	\$ -	\$ 144,876
Claims								
Salaries	\$ 390,951	\$ (17,068)	\$ 373,883	\$ 45,337	\$ 329,358	88%	\$ -	\$ 44,525
Other Operating Expenditures								
Total Contractual Services	51,092	11,500	62,592	4,243	30,563	49%	-	32,029
Total Supplies & Materials	20,000	2,138	22,138	2,729	19,258	87%	-	2,880
Total Fixed Charges	77,555	1,134	78,689	5,484	65,430	83%	-	13,259
Total Travel	1,500	250	1,750	226	1,088	62%	-	662
Total Equipment	-	1,029	1,029	-	815	79%	213	1
Total Other Operating Exp	150,147	16,051	166,198	12,682	117,154	70%	213	48,831
Total Claims	\$ 541,098	\$ (1,017)	\$ 540,081	\$ 58,019	\$ 446,512	83%	\$ 213	\$ 93,356
Insurance and Medical Services								
Salaries	\$ 485,888	\$ 18,624	\$ 504,512	\$ 56,338	\$ 411,887	82%	\$ -	\$ 92,625
Other Operating Expenditures								
Total Contractual Services	52,952	12,037	64,989	5,310	55,605	86%	-	9,384
Total Supplies & Materials	19,500	1,100	20,600	828	11,833	57%	-	8,767
Total Fixed Charges	61,626	694	62,320	3,965	51,527	83%	-	10,793
Total Travel	-	158	158	83	108	68%	-	50
Total Equipment	-	1,029	1,029	-	815	79%	213	1
Total Other Operating Exp	134,078	15,018	149,096	10,186	119,888	80%	213	28,995
Total Insurance and Medical Services	\$ 619,966	\$ 33,642	\$ 653,608	\$ 66,524	\$ 531,775	81%	\$ 213	\$ 121,620
Judicial								
Salaries	\$ 378,057	\$ 19,756	\$ 397,813	\$ 47,588	\$ 329,457	83%	\$ -	\$ 68,356
Other Operating Expenditures								
Total Contractual Services	48,148	400	48,548	2,041	20,272	42%	-	28,276
Total Supplies & Materials	20,000	2,024	22,024	1,206	17,327	79%	-	4,697
Total Fixed Charges	66,846	120	66,966	5,016	54,888	82%	-	12,078
Total Travel	750	700	1,450	117	957	66%	-	493
Total Other Operating Exp	135,744	3,244	138,988	8,380	93,444	67%	-	45,544
Total Judicial	\$ 513,801	\$ 23,000	\$ 536,801	\$ 55,968	\$ 422,901	79%	\$ -	\$ 113,900
Totals By Departments								
Department Totals								
Commissioners	\$ 1,446,709	\$ 235,454	\$ 1,682,163	\$ 177,556	\$ 1,401,818	83%	\$ -	\$ 280,345
Administration	763,864	162,068	925,932	80,362	781,056	84%	-	144,876
Claims	541,098	(1,017)	540,081	58,019	446,512	83%	213	93,356
Insurance & Medical	619,966	33,642	653,608	66,524	531,775	81%	213	121,620
Judicial	513,801	23,000	536,801	55,968	422,901	79%	-	113,900
Total Other Operating Exp	\$ 3,885,438	\$ 453,147	\$ 4,338,585	\$ 438,429	\$ 3,584,062	83%	\$ 426	\$ 754,097
Employer Contributions	755,019	118,764	873,783	98,714	750,079	86%	-	123,704
Total General & Earmarked Funds	\$ 4,640,457	\$ 571,911	\$ 5,212,368	\$ 537,143	\$ 4,334,141	83%	\$ 426	\$ 877,801

South Carolina Workers' Compensation Commission
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General Appropriation

Year-To-Date : 83.3%								
	Original Budget	Budget Amendments	Amended Budget	Expended APRIL	Year to Date to Date	%	Encumb	Balance
Commissioners								
Salaries								
Chairman	\$ 115,567	\$ -	\$ 115,567	\$ 14,446	\$ 101,121	87%	\$ -	\$ 14,446
Commissioner	664,602	-	664,602	83,075	581,527	88%	-	83,075
Classified Employees	290,075	-	290,075	36,259	252,654	87%	-	37,421
Total Commissioners	1,070,244	-	1,070,244	133,780	935,302	87%	-	134,942
Administration								
Salaries								
Director	\$ 92,342	\$ -	\$ 92,342	\$ 11,769	\$ 80,573	87%	\$ -	\$ 11,769
Classified Positions	226,768	(13,259)	213,509	24,858	189,811	89%	-	23,698
Total Administration	319,110	(13,259)	305,851	36,627	270,384	88%	-	35,467
Claims								
Salaries								
Classified Positions	\$ 161,668	\$ (29,441)	\$ 132,227	\$ 9,781	\$ 118,727	90%	\$ -	\$ 13,500
Unclassified Positions	5,075	-	5,075	-	5,075	100%	-	-
Terminal Leave	11,040	-	11,040	-	11,040	100%	-	-
Total Claims	177,783	(29,441)	148,342	9,781	134,842	91%	-	13,500
Insurance and Medical Services								
Salaries								
Classified Positions	\$ 232,543	\$ (54,727)	\$ 177,816	\$ 12,471	\$ 161,161	91%	\$ -	\$ 16,655
Total Ins and Medical Svcs	232,543	(54,727)	177,816	12,471	161,161	91%	-	16,655
Judicial								
Salaries								
Classified Positions	\$ 139,884	\$ (55,266)	\$ 84,618	\$ 7,733	\$ 76,886	91%	\$ -	\$ 7,732
Total Judicial	139,884	(55,266)	84,618	7,733	76,886	91%	-	7,732
General Funds								
Department Totals								
Commissioners	\$ 1,070,244	\$ -	\$ 1,070,244	\$ 133,780	\$ 935,302	87%	\$ -	\$ 134,942
Administration	319,110	(13,259)	305,851	36,627	270,384	88%	-	35,467
Claims	177,783	(29,441)	148,342	9,781	134,842	91%	-	13,500
Insurance & Medical	232,543	(54,727)	177,816	12,471	161,161	91%	-	16,655
Judicial	139,884	(55,266)	84,618	7,733	76,886	91%	-	7,732
Total Departmental Expend	\$ 1,939,564	\$ (152,693)	\$ 1,786,871	\$ 200,392	\$ 1,578,575	88%	\$ -	\$ 208,296
Employer Contributions	600,893	(71,768)	529,125	57,310	469,885	89%	-	59,240
Total General Fund Appropriations	\$ 2,540,457	\$ (224,461)	\$ 2,315,996	\$ 257,702	\$ 2,048,460	88%	\$ -	\$ 267,536

South Carolina Workers' Compensation Commission
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Earmarked Funds

	Year-To-Date : 83.3%							
	Original Budget	Budget Amendments	Amended Budget	Expended APRIL	Year to Date	%	Encumb	Balance
Commissioners								
Salaries								
Taxable Subsistence	\$ 80,000	\$ -	\$ 80,000	\$ 11,375	\$ 60,736	76%	\$ -	\$ 19,264
Total Salaries	80,000	-	80,000	11,375	60,736	76%	-	19,264
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	-	700	700	-	496	71%	-	204
Copying Equipment Service	-	200	200	-	135	68%	-	65
Print Pub Annual Reports	-	28	28	-	28	100%	-	-
Data Processing Services	43,850	25,054	68,904	2,193	25,554	37%	-	43,350
Freight Express Delivery	292	708	1,000	-	208	21%	-	792
Telephone	2,503	1,997	4,500	303	3,661	81%	-	839
Cellular Phone Service	5,847	6,153	12,000	747	8,395	70%	-	3,605
Legal Services	91,832	68,168	160,000	10,214	137,892	86%	-	22,108
Other Professional Services	292	580	872	73	538	62%	-	334
Other Contractual Services	-	100	100	-	63	63%	-	37
Total Contractual Services	144,616	103,688	248,304	13,530	176,970	71%	-	71,334
Supplies & Materials								
Office Supplies	2,923	5,577	8,500	24	7,122	84%	-	1,378
Copying Equipment	-	2,500	2,500	-	2,378	95%	-	122
Printing	-	1,750	1,750	110	1,211	69%	-	539
Photo & Visual Supplies	-	214	214	-	214	100%	-	-
Data Processing Supplies	-	649	649	-	67	10%	-	582
Postage	7,231	14,269	21,500	1,519	16,936	79%	-	4,564
Communication Supplies	-	50	50	-	24	48%	-	26
Maint/Janitorial Supplies	-	50	50	-	44	88%	-	6
Gasonline	-	100	100	-	40	40%	-	60
Other Supplies	-	1,000	1,000	-	214	21%	-	786
Total Supplies & Materials	10,154	26,159	36,313	1,653	28,250	78%	-	8,063
Fixed Charges								
Rental-Cont Rent Payment	2,670	2,130	4,800	547	3,834	80%	-	966
Rent-Non State Owned Property	86,859	62,891	149,750	10,873	126,891	85%	-	22,859
Rent-Other	139	111	250	-	213	85%	-	37
Insurance-State	3,633	-	3,633	-	3,633	100%	-	-
Insurance-Non State	-	169	169	-	169	100%	-	-
Fees & Fines	-	50	50	-	50	100%	-	-
Equipment Maintenance	-	1,000	1,000	-	575	58%	-	425
Total Fixed Charges	93,301	66,351	159,652	11,420	135,365	85%	-	24,287
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	-	650	650	-	206	32%	-	444
In State - Auto Mileage	4,172	3,828	8,000	529	7,607	95%	-	393
In State - Subsistence Allowance	13,906	11,094	25,000	1,872	22,840	91%	-	2,160
Out State - Meals	278	222	500	-	118	24%	-	382
Out State - Auto Mileage	1,113	387	1,500	-	744	50%	-	756
Leased Car	28,925	23,075	52,000	3,397	33,680	65%	-	18,320
Total Travel	48,394	39,256	87,650	5,798	65,195	74%	-	22,455
Total Other Operating Expenditures	296,465	235,454	531,919	32,401	405,780	76%	-	126,139
Total Commissioners	\$ 376,465	\$ 235,454	\$ 611,919	\$ 43,776	\$ 466,516	76%	\$ -	\$ 145,403

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Earmarked Funds

				Year-To-Date : 83.3%				
	Original Budget	Budget Amendments	Amended Budget	Expended APRIL	Year to Date	%	Encumb	Balance
Administration								
Salaries								
Classified Positions	\$ 181,081	\$ 13,260	\$ 194,341	\$ 26,649	\$ 167,268	86%	\$ -	\$ 27,073
Temporary Employees	2,535	-	2,535	-	2,535	100%	-	-
Terminal Leave	16,410	-	16,410	-	16,410	100%	-	-
Total Salaries	200,026	13,260	213,286	26,649	186,213	87%	-	27,073
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	3,754	1,150	4,904	-	4,038	82%	-	866
Print/Bind/Advertisement	6,071	(1,421)	4,650	705	3,317	71%	-	1,333
Print Pub Annual Reports	-	22	22	-	22	100%	-	-
Data Processing Services	68,435	80,985	149,420	1,274	137,603	92%	-	11,817
Freight Express Delivery	14,000	1,500	15,500	153	15,349	99%	-	151
Telephone	2,884	1,109	3,993	657	3,536	89%	-	457
Cellular Phone Service	744	1,181	1,925	146	1,502	78%	-	423
Education & Training Services	-	1,000	1,000	-	500	50%	-	500
Attorney Fees	24,283	26,894	51,177	827	9,145	18%	-	42,032
Audit Acct Finance	100	-	100	-	99	99%	-	1
Catered Meals	-	500	500	-	243	49%	-	257
Other Professional Services	-	2,500	2,500	-	1,776	71%	-	724
Other Contractual Services	445	-	445	-	445	100%	-	-
Total Contractual Services	120,716	115,420	236,136	3,762	177,575	75%	-	58,561
Supplies & Materials								
Office Supplies	15,177	(6,886)	8,291	480	6,578	79%	-	1,713
Subscriptions	-	200	200	-	105	53%	-	95
Copying Equipment	759	3,000	3,759	1,100	3,716	99%	-	43
Printing	3,339	(1,175)	2,164	87	1,663	77%	-	501
Data Processing Supplies	-	2,075	2,075	1,835	1,854	89%	-	221
Postage	3,035	4,065	7,100	1,317	6,382	90%	-	718
Maint/Janitorial Supplies	-	61	61	6	51	84%	-	10
Promotional Supplies	-	75	75	24	57	76%	-	18
Other Supplies	-	100	100	-	54	54%	-	46
Total Supplies & Materials	22,310	1,515	23,825	4,849	20,460	86%	-	3,365
Fixed Charges								
Rental-Copying Equipment	-	1,000	1,000	-	856	86%	-	144
Rental-Cont Rent Payment	3,642	1,337	4,979	66	3,674	74%	-	1,305
Rent-Non State Owned Property	75,108	32,142	107,250	7,035	90,936	85%	-	16,314
Rent-Other	225	-	225	-	598	266%	-	(373)
Insurance-State	7,490	-	7,490	-	7,490	100%	-	-
Insurance-Non State	-	134	134	-	134	100%	-	-
Dues and Memberships	-	3,985	3,985	-	3,985	100%	-	-
Equipment Maintenance	-	1,000	1,000	-	863	86%	-	137
Sales Tax Paid	7,042	3,208	10,250	655	7,583	74%	-	2,667
Total Fixed Charges	93,507	42,806	136,313	7,756	116,119	85%	-	20,194
Travel (Includes Leased Car)								
In State - Meals Non-Reportable	-	21	21	-	21	0%	-	-
In State - Registration Fees	-	-	-	-	(11)	0%	-	11
Leased Car	8,195	2,305	10,500	719	10,295	98%	-	205
Total Travel	8,195	2,326	10,521	719	10,305	98%	-	216
Total Other Operating Expenditures	244,728	162,067	406,795	17,086	324,459	80%	-	82,336
Total Administration	\$ 444,754	\$ 175,327	\$ 620,081	\$ 43,735	\$ 510,672	82%	\$ -	\$ 109,409

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Earmarked Funds

	Year-To-Date : 83.3%							
	Original Budget	Budget Amendments	Amended Budget	Expended APRIL	Year to Date	%	Encumb	Balance
Claims								
Salaries								
Classified Positions	\$ 213,168	\$ 5,873	\$ 219,041	\$ 32,931	\$ 190,160	87%	\$ -	\$ 28,881
Temporary Positions	-	6,500	6,500	2,625	4,356	67%	-	2,144
Total Salaries	213,168	12,373	225,541	35,556	194,516	86%	-	31,025
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	-	200	200	-	29	15%	-	171
Print / Bind / Adv	-	250	250	85	85	34%	-	165
Print Pub Annual Reports	-	22	22	-	22	100%	-	-
Data Processing Services	47,592	(4,972)	42,620	1,828	18,870	44%	-	23,750
Freight Express Delivery	500	-	500	-	301	60%	-	199
Telephone	-	3,000	3,000	266	1,859	62%	-	1,141
Temporary Services	-	13,000	13,000	2,064	9,329	72%	-	3,671
Other Professional Services	3,000	-	3,000	-	68	2%	-	2,932
Total Contractual Services	51,092	11,500	62,592	4,243	30,563	49%	-	32,029
Supplies & Materials								
Office Supplies	7,000	(2,587)	4,413	19	2,885	65%	-	1,528
Copying Equipment	-	2,000	2,000	-	1,882	94%	-	118
Printing	-	2,500	2,500	87	1,752	70%	-	748
Data Processing Supplies	-	75	75	-	10	13%	-	65
Postage	13,000	-	13,000	2,623	12,656	97%	-	344
Maint/Janitorial Supplies	-	50	50	-	36	72%	-	14
Other Supplies	-	100	100	-	37	37%	-	63
Total Supplies & Materials	20,000	2,138	22,138	2,729	19,258	87%	-	2,880
Fixed Charges								
Rental-Cont Rent Payment	2,500	-	2,500	47	1,313	53%	-	1,187
Rent-Non State Owned Property	73,750	-	73,750	5,437	62,235	84%	-	11,515
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,080	-	1,080	-	1,080	100%	-	-
Insurance-Non State	-	134	134	-	134	100%	-	-
Equipment Maintenance	-	1,000	1,000	-	455	46%	-	545
Total Fixed Charges	77,555	1,134	78,689	5,484	65,430	83%	-	13,259
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	-	300	300	50	219	73%	-	81
In State - Lodging	-	500	500	84	460	92%	-	40
In State - Auto Mileage	1,500	(900)	600	79	336	56%	-	264
Reportable Meals	-	100	100	13	59	59%	-	41
Leased Car	-	250	250	-	14	6%	-	236
Total Travel	1,500	250	1,750	226	1,088	62%	-	662
Equipment								
Copying Equipment	-	816	816	-	815	100%	-	1
Equipment - Copying	-	213	213	-	-	0%	213	-
Total Equipment	-	1,029	1,029	-	815	79%	213	1
Total Other Operating Expenditures	150,147	16,051	166,198	12,682	117,154	70%	213	48,831
Total Claims	\$ 363,315	\$ 28,424	\$ 391,739	\$ 48,238	\$ 311,670	80%	\$ 213	\$ 79,856

South Carolina Workers' Compensation Commission
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Earmarked Funds

	Year-To-Date : 83.3%							
	Original Budget	Budget Amendments	Amended Budget	Expended APRIL	Year to Date	%	Encumb	Balance
Insurance and Medical Services								
Salaries								
Classified Positions	\$ 212,767	\$ 47,227	\$ 259,994	\$ 36,045	\$ 196,143	75%	\$ -	\$ 63,851
Temporary Employees	15,018	(5)	15,013	1,252	12,514	83%	-	2,499
Special Contractual Employee	25,560	26,124	51,684	6,570	42,064	81%	-	9,620
Terminal Leave Payout	-	5	5	-	5	100%	-	-
Total Salaries	253,345	73,351	326,696	43,867	250,726	77%	-	75,970
Other Operating Expenditures								
Contractual Services								
Office Equipment Service	-	200	200	-	32	16%	-	168
Copying Equipment Service	-	1,000	1,000	-	881	88%	-	119
Print/Bind/Advertisement	-	1,000	1,000	171	762	76%	-	238
Print Pub Annual Report	-	24	24	-	24	100%	-	-
Data Processing Services	49,952	(6,250)	43,702	3,596	36,213	83%	-	7,489
Telephone	2,750	(124)	2,626	201	1,703	65%	-	923
Legal Services	-	7,500	7,500	-	7,500	100%	-	-
Temporary Services	-	7,350	7,350	1,102	7,190	98%	-	160
Other Professional Services	250	1,137	1,387	240	1,190	86%	-	197
Other Contractual Services	-	200	200	-	110	55%	-	90
Total Contractual Services	52,952	12,037	64,989	5,310	55,605	86%	-	9,384
Supplies & Materials								
Office Supplies	7,000	(3,000)	4,000	21	2,782	70%	-	1,218
Copying Equipment	-	3,000	3,000	-	2,080	69%	-	920
Printing	-	1,500	1,500	97	816	54%	-	684
Data Processing Supplies	-	1,000	1,000	-	476	48%	-	524
Postage	12,500	(1,575)	10,925	704	5,592	51%	-	5,333
Maintenance/Janitorial Supplies	-	75	75	6	46	61%	-	29
Other Supplies	-	100	100	-	41	41%	-	59
Total Supplies & Materials	19,500	1,100	20,600	828	11,833	57%	-	8,767
Fixed Charges								
Rental-Cont Rent Payment	2,500	(396)	2,104	114	1,573	75%	-	531
Rent-Non State Owned Property	56,500	-	56,500	3,838	47,456	84%	-	9,044
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,101	-	1,101	-	1,101	100%	-	-
Insurance-Non State	-	148	148	-	148	100%	-	-
Equipment Maintenance	-	942	942	-	503	53%	-	439
Sales Tax Paid	1,300	-	1,300	13	533	41%	-	767
Total Fixed Charges	61,626	694	62,320	3,965	51,527	83%	-	10,793
Travel (Includes Leased Car)								
In State - Meals (Non-Reportable)	-	100	100	25	50	50%	-	50
In State - Lodging	-	58	58	58	58	100%	-	-
Total Travel	-	158	158	83	108	68%	-	50
Equipment								
Copying Equipment	-	816	816	-	815	100%	-	1
Equipment Data Processing- Copyin	-	213	213	-	-	0%	213	-
Total Equipment	-	1,029	1,029	-	815	79%	213	1
Total Other Operating Expenditures	134,078	15,018	149,096	10,186	119,888	80%	213	28,995
Total Insurance and Medical Services	\$ 387,423	\$ 88,369	\$ 475,792	\$ 54,053	\$ 370,614	78%	\$ 213	\$ 104,965

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Earmarked Funds

Year-To-Date : 83.3%								
	Original Budget	Budget Amendments	Amended Budget	Expended APRIL	Year to Date	%	Encumb	Balance
Judicial								
Salaries								
Classified Positions	\$ 238,021	\$ 74,880	\$ 312,901	\$ 39,855	\$ 252,277	81%	\$ -	\$ 60,624
Terminal Leave	152	142	294	-	294	100%	-	-
Total Salaries	238,173	75,022	313,195	39,855	252,571	81%	-	60,624
Other Operating Expenditures								
Contractual Services								
Office Equipment Services	-	180	180	-	26	14%	-	154
Print Pub Annual Reports	-	20	20	-	20	100%	-	-
Data Processing Services	43,923	(150)	43,773	1,717	17,204	39%	-	26,569
Freight Express Delivery	-	150	150	-	30	20%	-	120
Telephone	3,000	-	3,000	232	1,998	67%	-	1,002
Cellular Phone Service	1,225	-	1,225	92	933	76%	-	292
Other Professional Services	-	200	200	-	61	31%	-	139
Total Contractual Services	48,148	400	48,548	2,041	20,272	42%	-	28,276
Supplies & Materials								
Office Supplies	7,000	(2,225)	4,775	17	4,118	86%	-	657
Copying Equipment	-	1,949	1,949	-	1,869	96%	-	80
Printing	-	2,500	2,500	78	1,675	67%	-	825
Data Processing Supplies	-	75	75	-	9	12%	-	66
Postage	13,000	(400)	12,600	1,111	9,591	76%	-	3,009
Maintenance/Janitorial Supplies	-	50	50	-	32	64%	-	18
Other Supplies	-	75	75	-	33	44%	-	42
Total Supplies & Materials	20,000	2,024	22,024	1,206	17,327	79%	-	4,697
Fixed Charges								
Rental-Cont Rent Payment	1,750	-	1,750	219	621	35%	-	1,129
Rent-Non State Owned Property	63,750	-	63,750	4,797	52,813	83%	-	10,937
Rent-Other	225	-	225	-	213	95%	-	12
Insurance-State	1,121	-	1,121	-	1,121	100%	-	-
Insurance-Non State	-	120	120	-	120	100%	-	-
Total Fixed Charges	66,846	120	66,966	5,016	54,888	82%	-	12,078
Travel (Includes Leased Car)								
In State - Meals / Non-Reportable	-	100	100	-	25	25%	-	75
In State - Lodging	-	250	250	-	76	30%	-	174
In State - Auto Mileage	-	700	700	117	694	99%	-	6
Out State - Auto Mileage	750	(350)	400	-	162	41%	-	238
Total Travel	750	700	1,450	117	957	66%	-	493
Total Other Operating Expenditures	135,744	3,244	138,988	8,380	93,444	67%	-	45,544
Total Judicial	\$ 373,917	\$ 78,266	\$ 452,183	\$ 48,235	\$ 346,015	77%	\$ -	\$ 106,168
Earmarked Funds								
Department Totals								
Commissioners	\$ 376,465	\$ 235,454	\$ 611,919	\$ 43,776	\$ 466,516	76%	\$ -	\$ 145,403
Administration	444,754	175,327	620,081	43,735	510,672	82%	-	109,409
Claims	363,315	28,424	391,739	48,238	311,670	80%	213	79,856
Insurance & Medical	387,423	88,369	475,792	54,053	370,614	78%	213	104,965
Judicial	373,917	78,266	452,183	48,235	346,015	77%	-	106,168
Total Salaries & Other Operating	\$ 1,945,874	\$ 605,840	\$ 2,551,714	\$ 238,037	\$ 2,005,487	79%	\$ 426	\$ 545,801
Employer Contributions	154,126	190,532	344,658	41,404	280,194	81%	-	64,464
Total Earmarked Funds	\$ 2,100,000	\$ 796,372	\$ 2,896,372	\$ 279,441	\$ 2,285,681	79%	\$ 426	\$ 610,265
Capital / Computer Project Carryforward	\$ 261,868	\$ -	\$ 261,868	\$ 6,424	\$ 158,298	60%	\$ -	\$ 103,570

WCC IT Projects Status Report

Period	March	Status Key: Not Started	Timing
--------	-------	-------------------------	--------

Projects						
#	Key Projects	Sub Project	Regulation	Due Date	%	Lead
1	Palmetto Backfile Conversion			May 2010		
2	WCC Closed File Scanning	Train Claims on verification		July 2010		
3	Phase II - Progress EDI/eCase	TPA's - attached to claim not carrier code modifications		July 2010		
	eCase Enhancements	Additional status display and Attorney add feature		May 2010		
4	Phase II - Coverage EDI			February 2010	100%	IT Staff
5	Phase II - Claims EDI			December 2010	0%	IT Staff
6A	Electronic Service Initiatives	Electronic Service Initiatives Decision Orders	67-213	July 2010		
6b	Electronic Service Initiatives - Notices	Electronic Service Initiatives Hearing Notices	67-213	March 2010		
		Electronic Service Initiatives Appeal Notices	67-213	July 2010		
		Electronic Service Initiatives IC Notices	67-213	July 2010		
6c	Electronic Service Initiatives - Orders	Electronic Service Initiatives Fine Orders Template	67-213	July 2010	0%	Amanda

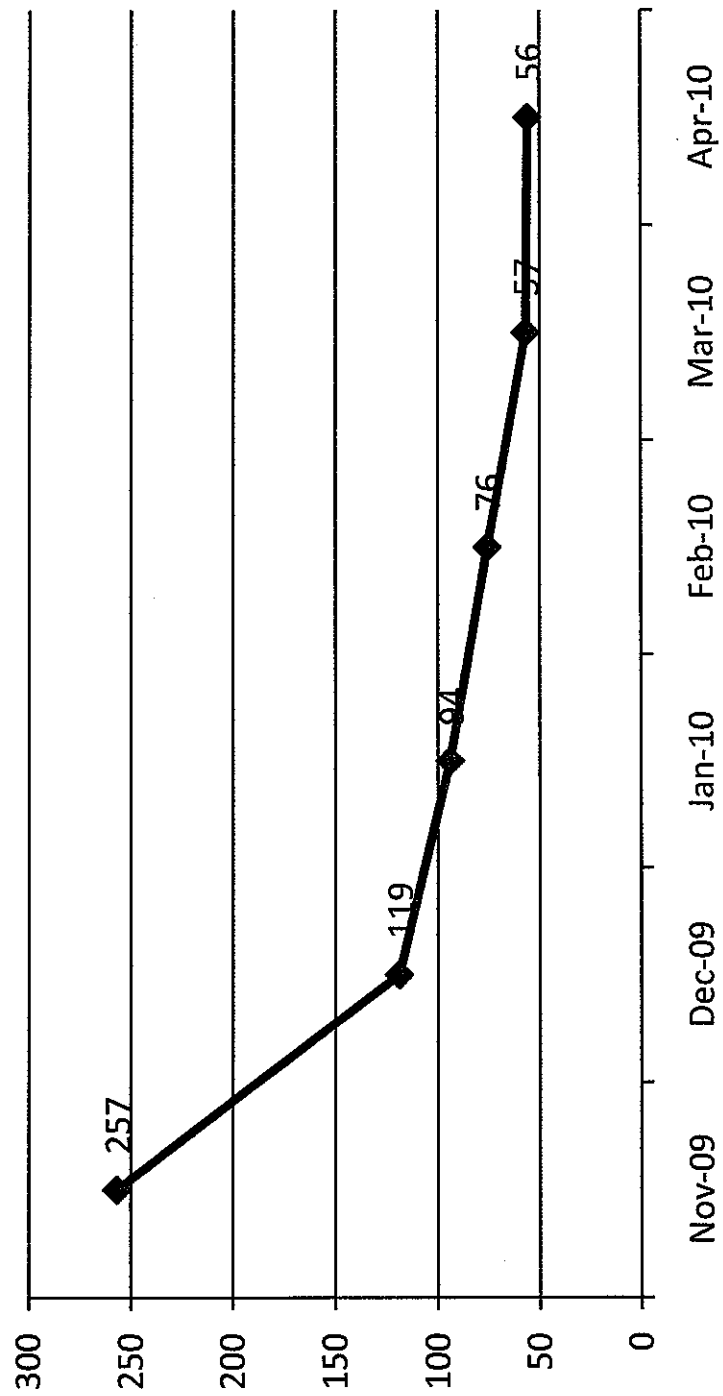
Turned over to Coverage for User acceptance.

Claims testing on hold to focus on coverage EDI, eCase Implementation/Fixes and Electronic service Initiatives

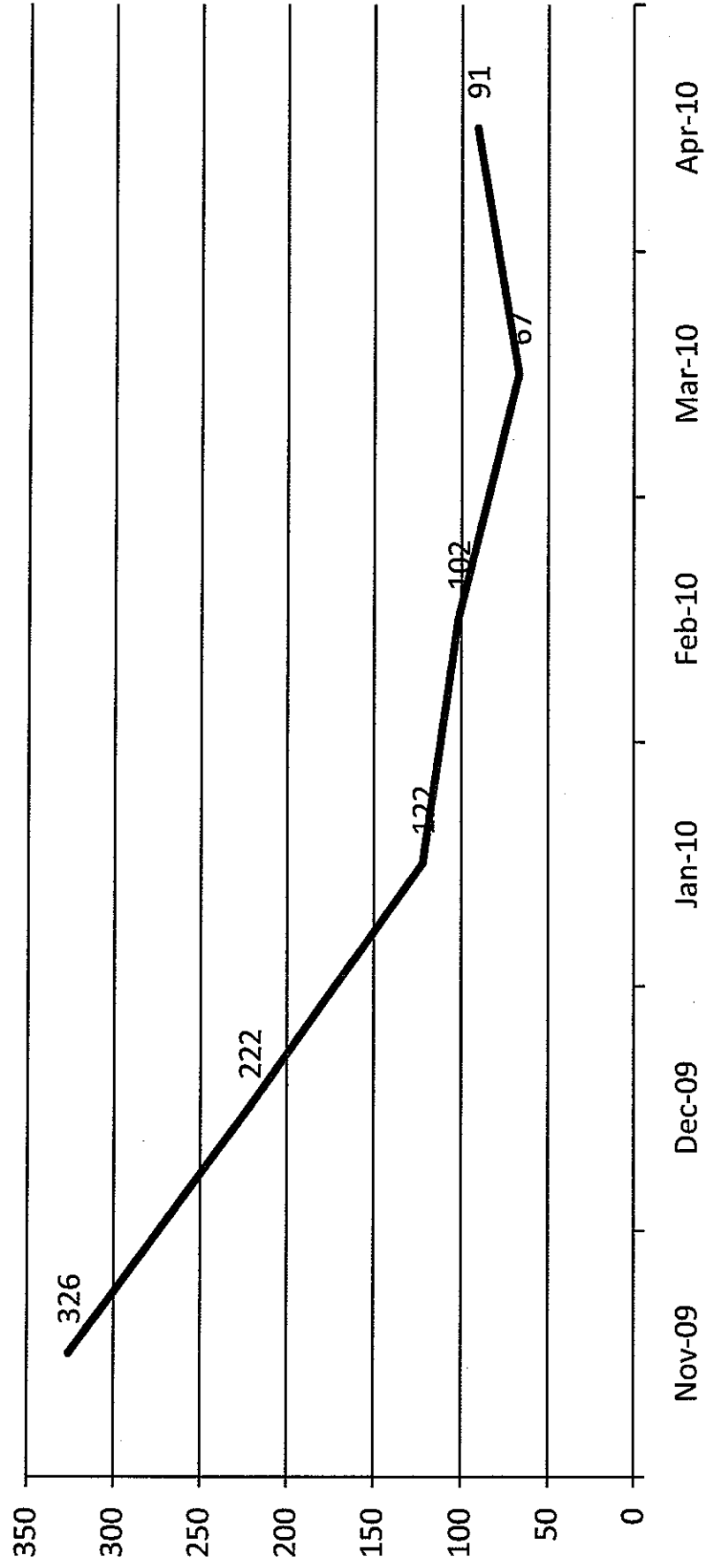
6d	Electronic Service Initiatives - Orders	Electronic Service Initiatives Administrative Orders Template	67-213	July 2010	0%	TBD	
6e	Electronic Service Initiatives - Consent	Electronic Service Initiatives - Consent Orders	67-213	September 2010	0%		
6f	Electronic Service Initiatives - Consent	Electronic Service Initiatives - Clinchers	67-213	September 2010	0%		
6g	Electronic Service Initiatives - Consent	Electronic Service Initiatives - Fee Petitions	67-213	September 2010	0%		
6h	Electronic Service - SCWCC Receipt	Electronic Service Initiatives - Receipt of electronic pleadings	67-211	January 2012	0%		
6i	Electronic Service - SCWCC Receipt	Electronic receipt of any form or document	67-205	January 2012	0%		
6j	Electronic Service - 12M Reporting	Revamp of current Minor Medical Reporting from Carriers	67-412	January 2011	0%		

Administrative						
#	Project	Sub Project	Due Date	Completion %	Assigned to	Status
1	FY 2010/2011 IT Plan	Workstation lease and Software Assurance	6/30/2010	100%	Gary/Betsy	
		Workflow with Onbase	TBD	0%	Gary/Betsy	
		Backfiling and Order	TBD	0%	Gary/Betsy	
3	Analysis of phones	Review messages and call metric needed	5/1/2010	25%	Ginger	New Call Attendant routing and messages to start May 17, 2010

eCase Registered Users



eCase Queries Generated



Department of Insurance & Medical Services
South Carolina Workers' Compensation Commission
May 2010 Monthly Report

	July	August	September	October	November	December	January	February	March	April	May	June	2009 - 2010
SELF INSURANCE													
New Self-Insurers Approved	15	6	9	6	5	9	16	9	2	10			87
Self Insurance Tax Collected	\$17,377	\$206,283	\$1,608,330	\$14,376	\$63,799	\$321,117	\$101,279	\$86,408	\$1,979,522	\$410,406			\$4,808,897
COMPLIANCE													
Cases Active at Beginning of Period	334	391	418	396	357	318	297	239	419	432			
Cases Initiated	117	103	112	119	102	103	121	253	155	52			1237
Cases Closed	60	76	134	158	141	124	179	73	142	95			1182
Cases Active at End of Period	391	418	396	357	318	297	239	419	432	389			
Total Fines Assessed	\$136,475	\$206,976	\$82,567	\$112,195	\$68,532	\$95,485	\$93,571	\$126,085	\$118,040	\$69,809			\$1,109,735
- Employer wage / coverage screening	\$86,615	\$72,754	\$42,980	\$83,050	\$45,800	\$80,140	\$84,940	\$60,465	\$107,460	\$33,155			\$697,359
- Underlying claim / uninsured employer	\$38,160	\$105,022	\$39,587	\$23,795	\$17,122	\$15,345	\$8,631	\$60,620	\$10,580	\$36,654			\$355,516
- Random Investigation	\$11,700	\$29,200	\$0	\$5,350	\$5,610	\$0	\$0	\$5,000	\$0	\$0			\$56,860
Total Fines Collected	\$25,442	\$46,681	\$55,110	\$46,299	\$45,200	\$50,660	\$31,055	\$50,205	\$47,125	\$24,525			\$422,302
- Employer wage / coverage screening	\$22,867	\$37,546	\$36,470	\$20,450	\$29,900	\$30,575	\$23,525	\$36,750	\$42,775	\$21,150			\$302,008
- Underlying claim / uninsured employer	\$1,375	\$5,485	\$11,340	\$16,099	\$8,400	\$20,085	\$7,530	\$7,975	\$2,500	\$3,375			\$84,164
- Random Investigation	\$1,200	\$3,650	\$7,300	\$9,750	\$6,900	\$0	\$0	\$5,480	\$1,850	\$0			\$36,130
Fines Waived/Rescinded/Uncollectable	\$57,869	\$136,501	\$79,707	\$76,298	\$63,227	\$33,330	\$55,831	\$35,650	\$63,960	\$52,530			\$654,903
- Waived	\$57,869	\$98,212	\$50,160	\$57,398	\$35,775	\$25,280	\$34,751	\$20,300	\$10,760	\$35,030			\$425,535
- Rescinded	\$0	\$38,289	\$23,707	\$15,250	\$27,452	\$8,050	\$21,080	\$15,350	\$53,200	\$17,500			\$219,878
- Uncollectable	\$0	\$0	\$5,840	\$3,650	\$0	\$0	\$0	\$0	\$0	\$0			\$9,490
COVERAGE & ACCIDENT RPTG													
Employers Withdrawing From the Act	3	5	5	7	3	3	6	1	6	5			44
Coverage Fines Assessed	\$47,800	\$55,900	\$46,200	\$48,800	\$54,800	\$41,200	\$35,600	\$123,800	\$0	\$0			\$454,100
Coverage Fines Collected	\$54,200	\$29,600	\$56,700	\$43,000	\$36,400	\$35,765	\$36,890	\$32,700	\$40,091	\$53,900			\$419,246
Coverage Fines Waived	\$7,300	\$5,400	\$8,400	\$8,000	\$7,100	\$15,400	\$14,300	\$11,390	\$15,090	\$3,200			\$95,580
Number of 12As Filed EDI	1,636	1,610	1,757	1,559	1,454	1,349	1,463	1,447	1,770	1,581			15,626
Number of 12As Filed Manually	630	432	491	462	382	371	396	378	359	363			4,264
Total Number of WCC Files Created	2,266	2,042	2,248	2,021	1,836	1,720	1,859	1,825	2,129	1,944			19,890
Number of Fatalities Filed on 12As	9	9	5	12	11	8	5	16	3	7			85
MEDICAL SERVICES													
Bills Pending at Beginning of Period	249	196	51	44	27	53	37	83	39	37			982
Bills Received	275	38	77	51	86	46	118	94	92	105			
Bills to be Reviewed	524	234	128	95	113	99	155	177	131	142			1180
Bills Reviewed this Month	328	183	84	68	60	62	72	138	94	91			
Bills Pending at End of Period	196	51	44	27	53	37	83	39	37	51			

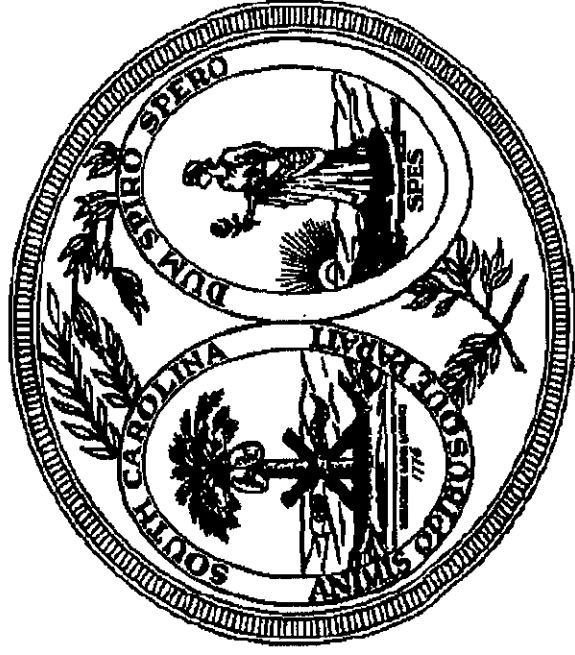
CLAIMS DEPARTMENT REPORT
STATISTICS FOR FISCAL YEAR 2009-2010
Prepared May 5, 2010

I. Claims Services Division

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Forms 15 for TT/TP	2,165	2,218	2,204	1,979	1,829	1,742	1,906	1,957	2,426	2,078			20,504
Forms 16 for PP/Disf	68	496	376	250	335	367	251	268	332	326			3,069
Forms 18	4,099	4,958	4,596	5,304	3,930	4,690	5,271	4,778	6,201	5,707			49,534
Forms 20	1,257	1,356	1,069	1,306	1,133	1,146	969	907	1,766	1,102			12,011
Form 50 Claims Only	277	290	235	274	295	160	301	258	296	262			2,648
Form 61	811	815	713	798	716	764	901	705	866	717			7,806
Letters of Rep	161	249	235	249	423	503	977	149	144	136			3,226
Clinchers	860	903	778	943	743	871	925	860	956	924			8,763
Third Party Settlements	20	18	15	13	13	14	17	20	19	13			162
SSA Requests for Info	127	111	125	123	84	114	122	127	73	58			1,064
Cases Closed	2,141	2,213	2,275	2,780	2,201	2,300	2,174	2,485	3,014	3,047			24,630
Cases Reviewed	2,192	2,016	2,186	2,087	2,163	2,017	1,896	1,924	1,814	1,710			20,005

CLAIMS DEPARTMENT REPORT													
STATISTICS FOR FISCAL YEAR : 2009-2010													
Prepared May 5, 2010													
II. Fines Assessed by Claims Department													
	July	August	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	Total
Number Assessed	317	828	211	573	134	544	126	1,644	1,618	1,669			7,664
Number Rescinded	133	64	88	46	98	67	68	166	323	283			1,336
Number Reduced	21	22	19	12	31	16	12	19	52	47			251
Number Paid	498	531	478	304	266	279	331	521	1,015	749			4,972
Number Outstanding	1,856	2,089	1,634	1,857	1,627	1,825	1,552	2,167	2,447	3,084			3,084
Total Amt. Assessed	\$77,100	\$156,600	\$54,350	\$119,600	\$43,150	\$117,800	\$31,800	\$355,550	\$336,100	\$352,300			\$1,644,350
Total Amt. Rescinded	\$27,636	\$15,050	\$18,550	\$10,000	\$19,000	\$13,200	\$15,850	\$31,070	\$62,075	\$57,750			\$270,181
Total Amt. Reduced	\$2,750	\$3,950	\$1,700	\$1,300	\$4,800	\$3,550	\$3,275	\$3,100	\$5,750	\$4,750			\$34,925
Total Amt. Paid	\$100,383	\$119,853	\$100,026	\$66,545	\$61,627	\$54,390	\$66,200	\$103,600	\$203,410	\$159,375			\$1,035,409
Total Outstanding	\$341,419	\$359,166	\$293,240	\$334,995	\$292,718	\$339,378	\$285,853	\$492,483	\$557,348	\$687,773			\$687,773

SCWCC Judicial Report



April 2010

SCWCC Judicial Report

District 1 (Greenville)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admin. Orders Served	Clincher Conf. Approved	Clincher Conf. Disapproved
Jul-09	Huffstetler	113	16	15	4	32	13	1
Aug-09	Huffstetler	91	15	15	4	28	17	2
Sep-09	Barden	105	20	19	2	49	15	1
Oct-09	Barden	125	33	18	2	49	20	0
Nov-09	Beck	112	12	9	5	30	10	1
Dec-09	Beck	113	17	17	7	39	12	2
Jan-10	Wilkerson	115	23	12	5	28	24	0
Feb-10	Wilkerson	95	28	23	3	54	13	0
Mar-10	Lyndon	118	27	29	7	42	17	0
Apr-10	Lyndon							
May-10								
Jun-10								
Totals		987	191	157	39	351	141	7
FY 2009-2010								

District 2 (Anderson)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admin. Orders Served	Clincher Conf. Approved	Clincher Conf. Disapproved
Jul-09	Barden	102	19	25	4	46	11	0
Aug-09	Barden	68	24	26	1	47	19	4
Sep-09	Beck	73	14	30	11	54	13	0
Oct-09	Beck	86	11	22	4	40	17	2
Nov-09	Lyndon	91	21	32	8	42	11	1
Dec-09	Lyndon	132	31	29	9	46	11	1
Jan-10	Williams	94	28	13	3	44	11	0
Feb-10	Williams	111	40	23	3	44	8	0
Mar-10	Huffstetler	87	17	17	6	45	9	2
Apr-10	Huffstetler							
May-10								
Jun-10								
Totals FY 2009-2010		844	205	217	49	408	110	10

SCWCC Judicial Report

District 3 (Orangeburg)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admin. Orders Served	Clincher Conf. Approved	Clincher Conf. Disapproved
Jul-09	Wilkerson	105	15	26	4	40	6	0
Aug-09	Wilkerson	73	23	26	0	34	16	0
Sep-09	Huffstetler	101	29	10	4	52	14	0
Oct-09	Huffstetler	126	22	28	4	72	15	0
Nov-09	Williams	108	29	27	5	55	6	0
Dec-09	Williams	109	20	26	4	50	15	0
Jan-10	Lyndon	125	21	23	7	48	9	0
Feb-10	Lyndon	127	37	36	5	42	16	0
Mar-10	Roche	113	16	32	0	69	10	0
Apr-10	Roche							
May-10								
Jun-10								
Totals FY 2009-2010	987	212	234	33	462	107	0	0

District 4 (Charleston)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's		Admin. Orders Served	Clincher Conf. Approved	Clincher Conf. Disapproved
					Approved				
Jul-09	Willaims	199	41	20	4	59	13	0	
Aug-09	Willaims	95	39	26	5	44	14	0	
Sep-09	Roche	143	15	21	10	33	11	0	
Oct-09	Roche	150	25	22	2	80	9	1	
Nov-09	Wilkerson	179	24	22	6	45	12	0	
Dec-09	Wilkerson	141	28	30	6	74	10	0	
Jan-10	Beck	136	17	6	6	30	4	1	
Feb-10	Beck	158	25	15	5	56	15	2	
Mar-10	Williams	143	40	34	0	55	18	0	
Apr-10	Williams								
May-10									
Jun-10									
Totals	FY 2009-2010	1344	254	196	44	476	106	4	

SCWCC Judicial Report

District 5 (Florence)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admn. Orders Served	Clincher Conf. Approved	Clincher Conf. Disapproved
Jul-09	Roche	156	26	17	3	41	17	0
Aug-09	Roche	99	25	7	0	19	22	0
Sep-09	Lyndon	107	41	27	7	38	18	1
Oct-09	Lyndon	162	30	33	7	41	14	1
Nov-09	Barden	112	22	32	7	57	3	3
Dec-09	Barden	120	21	17	0	35	10	3
Jan-10	Huffstetler	138	23	27	6	69	14	4
Feb-10	Huffstetler	132	18	20	6	52	17	1
Mar-10	Wilkerson	133	19	27	3	64	17	0
Apr-10	Wilkerson							
May-10								
Jun-10								
Totals	1159	225	207	39	416	132	13	

District 6 (Spartanburg)

Month	Commissioner	Cases Assigned		Hearings Held		D&O Served		Form 16's Approved		Admin. Orders Served		Clincher Conf. Approved		Clincher Conf. Disapproved	
Jul-09	Lyndon	140	32	21	7	42	27	0							
Aug-09	Lyndon	99	23	26	7	39	24	1							
Sep-09	Williams	162	41	29	3	48	20	2							
Oct-09	Williams	129	19	21	6	32	16	0							
Nov-09	Roche	138	20	14	0	39	16	0							
Dec-09	Roche	127	19	20	1	28	11	0							
Jan-10	Barden	119	19	18	4	56	4	1							
Feb-10	Barden	119	23	19	3	42	26	1							
Mar-10	Beck	98	13	32	3	73	15	1							
Apr-10	Beck														
May-10															
Jun-10															
Totals FY 2009-2010		1131	209	200	34	399	159	6							

SCWCC Judicial Report

District 7 (Richland)

Month	Commissioner	Cases Assigned	Hearings Held	D&O Served	Form 16's Approved	Admin. Orders Served	Clincher Conf. Approver Conf.	Clincher Conf. Disapproved
Jul-09	Beck	140	18	1	2	26	11	2
Aug-09	Beck	83	24	24	4	41	34	3
Sep-09	Wilkerson	149	45	9	9	27	12	0
Oct-09	Wilkerson	118	13	24	5	57	12	0
Nov-09	Huffstetler	188	47	23	4	82	23	4
Dec-09	Huffstetler	159	19	21	6	33	10	1
Jan-10	Roche	166	23	23	0	64	15	1
Feb-10	Roche	163	21	9	2	17	21	1
Mar-10	Barden	132	35	25	0	42	17	0
Apr-10	Barden							
May-10								
Jun-10								
Totals		1298	245	159	32	389	155	12
FY 2009-2010								

Pleadings Filed

Month	Forms 50, 52, 54			Forms 51, 53, 54		Form 15 Sect. III		Form 21		Form 16		Form 40		Motions		Clerker Conf. Requested		Informal Conf. Requester		Mediations		Form 30		FC Orders Requested		FC Orders Served	
	50,	52,	54	51,	53,	54	15	21	16	40	Motions	Clerker Conf. Requested	Informal Conf. Requester	Mediations	Form 30	FC Orders Requested	FC Orders Served										
Jul-09	786	633	1	400	6	45	74	167	892	14	56	43	37														
Aug-09	640	704	5	328	4	61	93	114	503	2	46	51	29														
Sep-09	869	580	8	495	4	70	116	132	580	4	45	24	30														
Oct-09	660	631	3	339	41	55	65	102	495	5	58	46	20														
Nov-09	718	647	0	295	98	67	82	111	464	3	55	17	44														
Dec-09	739	598	9	326	100	42	82	129	335	54	43	16	45														
Jan-10	598	503	2	370	65	32	69	101	432	2	45	26	28														
Feb-10	665	536	3	319	63	43	86	105	439	1	44	41	20														
Mar-10	759	669	4	358	87	0	107	131	588	1	66	23	23														
Apr-10																											
May-10																											
Jun-10																											
Totals FY 2009-2010	6434	5501	35	3230	468	415	774	1092	4728	86	458	287	276														



Workers' Compensation Commission

Executive Director's Report May 19, 2010

FY 2010-11 Revenue Enhancement

At the April 19, 2010 Business Meeting the Commission directed staff to implement procedures to enhance the Earmarked Fund balance after July 1, 2010. On May 3rd the following procedures for processing receipts of fines were implemented. In the Claims Department fines received and processed by the claims examiner to the account. After processing, the checks are forwarded to Finance and held in a secure place. After July 1, 2010 they will be deposited and credited to the appropriate revenue account in the Earmarked Fund. As of May 12th the claims department received, processed and held 262 checks totaling \$55,425. The Insurance and Medical Services Department received, processed and held 13 checks totaling \$6,400 for coverage and compliance violations.

Per the Commission's directive, the Executive Director informed the Chairman of the House Ways and Means subcommittee and the Chairman of the Senate Finance Committee subcommittee of the Commission's plan to delay depositing the receipts.

Fines and Assessments Aging Report

The attached Fines and Assessments Aging Report reflects the number and amount of fines assessed for the ten month period in FY 2009-10.

Legislative Audit Council

The audit team is on site continuing the audit.

SCWCEA Seminar

Chairman Roche, Commissioner Beck, Commissioner Wilkerson, Commissioner Williams, Commissioner Barden, Gary Cannon and Greg Line participated in a panel discussion before the SCWCEA seminar on May 7th.

SC Claims Management Association

On April 27th the Executive Director made a presentation to SC Claims Management Association in Myrtle Beach, SC. The topic was an update of the current activities at the Commission.

Risk and Insurance Management Society

On May 12th the Executive Director made a presentation to the Risk and Insurance Management Society in Charleston, SC. The topic was an update of the current activities at the Commission.

SC Self Insurers Association

Chairman Andrea Roche, Commissioner Beck, Commissioner Huffstetler, Commissioner Wilkerson, and Commissioner Williams participated in a panel discussion before the attendees at the annual meeting of the SC Self Insurers Association in Litchfield Beach, SC on April 23rd.

Advisory Committee – Medical Fee Schedule

The Advisory Committee met on April 15th and discussed the position papers submitted by the participants. The Committee will meet on May 14th and review financial models for various fee schedule options. The next meeting is scheduled for June 18th.

Constituent Responses

The Office of Public Affairs received forty-four calls this month from constituents. Five were from the Office of the Governor and six were from the offices of legislators. There were eleven pro-se claimants that contacted the division requesting information about their rights and responsibilities. Form filing requirements and the procedure for releasing an attorney were the most frequently asked questions. Written correspondence received consisted of six letters and thirty-seven emails. When asked the source of reference for contacting the Office of Public Affairs the majority indicated that they received contact information from the Commission's website. Ms. Neese met with one claimant who needed assistance reading and completing the Form 50.

Claims Seminar

The Commissions Department Directors hosted and participated in the Claims Administration Seminar May 12th. There were thirty one attendees and the cost to attend remained at thirty dollars. Participants were given a CD containing a workers' compensation manual with contact information, regulations and statute references, copies of Commission forms and a copy of the Power Point presentation. The next seminar is scheduled for September 16th in the first floor conference room.

Workers' Compensation Advisory Committee (§42-3-120)

The Governor's Workers' Compensation Advisory Committee met on April 30, 2010 at 12:00 p.m. at 1201 Main Street in Columbia. The Committee received comments from several organizations about issues the Committee should consider for the 2010 annual

report to the General Assembly. The Commission was represented by Chairman Roche, Gary Cannon, Al McCutcheon and Garry Smith. Chairman Roche expressed concerns that the recommendations contained in the Committee's 2009 Report to the General Assembly would impose additional regulatory and statutory requirements on the Commission without providing a source of funding. Bill Shaughnessy, Chairman of the Advisory Committee responded that he would recommend the Committee send a letter to the Speaker of the House and President Pro Tem of the Senate to follow up on the report noting the recommendations were made without adequate support for funding.

Fines and Assessments Aging Report
Monthly Totals

Page

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5/13/2010

Summary All Depts.

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Total	\$ 1,004,802	\$ 1,138,302	\$ 974,036	\$ 1,002,360	\$ 914,705	\$ 960,573	\$ 897,638	\$ 1,232,366	\$ 1,227,867	\$ 1,269,996		
> 91 Days	\$ 560,507	\$ 539,385	\$ 547,490	\$ 540,456	\$ 614,517	\$ 604,383	\$ 635,036	\$ 588,513	\$ 565,039	\$ 551,956		
61-90 Days	\$ 59,638	\$ 108,056	\$ 68,630	\$ 150,791	\$ 38,516	\$ 89,265	\$ 38,799	\$ 72,576	\$ 27,250	\$ 201,431		
31-60 Days	\$ 164,637	\$ 89,930	\$ 224,768	\$ 70,272	\$ 134,187	\$ 68,508	\$ 109,708	\$ 67,390	\$ 328,812	\$ 183,116		
< 30 days	\$ 220,020	\$ 400,930	\$ 133,147	\$ 240,841	\$ 127,485	\$ 198,417	\$ 114,095	\$ 503,887	\$ 306,766	\$ 333,493		
Of Fines Over 90 Days Old												
Orders	\$ 40,550	\$ 22,270	\$ 21,045	\$ 19,245	\$ 18,645	\$ 17,625	\$ 16,800	\$ 12,990	\$ 9,220	\$ 8,585		
Count	246	153	144	132	127	121	118	93	65	58		
Judgments	\$ 213,746	\$ 213,166	\$ 203,804	\$ 203,604	\$ 202,984	\$ 202,224	\$ 202,224	\$ 201,804	\$ 201,294	\$ 201,294		
Count	606	602	547	545	544	541	541	539	538	538		

Claims	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
Division Total	\$ 439,496	\$ 509,639	\$ 417,077	\$ 459,026	\$ 403,106	\$ 447,026	\$ 394,941	\$ 610,061	\$ 655,980	\$ 787,458		
Count	2,262	2,575	2,099	2,315	2,029	2,246	1,943	2,998	3,200	3,807		
> 91 Days	\$ 298,710	\$ 246,452	\$ 256,027	\$ 247,476	\$ 286,506	\$ 268,126	\$ 288,141	\$243,961	\$ 232,280	\$ 219,708		
Count	1,696	1,401	1,434	1,341	1,529	1,427	1,515	1,283	1,197	1,124		
61-90 Days	\$ 5,600	\$ 43,236	\$ 19,900	\$ 82,100	\$ 10,050	\$ 52,500	\$ 13,100	\$ 45,050	\$ 11,800	\$ 136,650		
Count	22	217	51	367	35	257	40	218	32	647		
31-60 Days	\$ 79,336	\$ 30,300	\$ 112,400	\$ 12,050	\$ 72,500	\$ 18,750	\$ 63,600	\$19,700	\$ 175,200	\$ 143,750		
Count	395	75	518	44	355	63	301	57	829	703		
< 30 days	\$ 55,850	\$ 189,650	\$ 28,750	\$ 117,400	\$ 34,050	\$ 107,650	\$ 30,100	\$301,360	\$ 236,700	\$ 287,350		
Count	149	882	96	563	110	499	87	1,440	1,142	1,333		
Of Fines Over												
Orders	\$ 40,550	\$ 22,270	\$ 21,045	\$ 19,245	\$ 18,645	\$ 17,625	\$ 16,800	\$ 12,990	\$ 9,220	\$ 8,585		
Count	246	153	144	132	127	121	118	93	65	58		
Judgments	\$ 107,040	\$ 106,460	\$ 97,098	\$ 96,898	\$ 96,278	\$ 95,518	\$ 95,518	\$ 95,098	\$ 94,588	\$ 94,588		
Count	553	549	494	492	491	488	488	486	485	485		

[illegible]

[illegible]

	July	August	Sept	Oct	Nov	Dec	Jan	Feb	Mar	April	May
Total	\$ 1,004,802	\$ 1,138,302	\$ 974,036	\$ 1,002,360	\$ 914,705	\$ 960,573	\$ 897,638	\$ 1,232,366	\$ 1,227,867	\$ 1,269,996	
> 91 Days	\$ 560,507	\$ 539,385	\$ 547,490	\$ 540,456	\$ 614,517	\$ 604,383	\$ 635,036	\$ 588,513	565038.65	\$ 551,956	
61-90 Days	\$ 59,638	\$ 108,056	\$ 68,630	\$ 150,791	\$ 38,516	\$ 89,265	\$ 38,799	\$ 72,576	27250	\$ 201,431	
31-60 Days	\$ 164,637	\$ 89,930	\$ 224,768	\$ 70,272	\$ 134,187	\$ 68,508	\$ 109,708	\$ 67,390	\$ 328,812	\$ 183,116	
< 30 days	\$ 220,020	\$ 400,930	\$ 133,147	\$ 240,841	\$ 127,485	\$ 198,417	\$ 114,095	\$ 503,887	\$ 306,766	\$ 333,493	

Fines Collected Years 2007, 2008, 2009, 2010												
	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec
2007	21,620	34,891	36,520	35,339	45,785	36,760	46,555	68,018	49,261	58,934	45,203	40,261
2008	48,613	38,805	45,167	34,710	40,525	79,055	67,769	51,195	65,230	59,817	37,309	39,583
2009	37,080	44,750	35,960	49,842	93,182	65,351	100,383	119,853	100,026	66,565	61,627	54,390
2010	66,200	103,600	203,410	159,375								

The dollar amount of fines assessed and collected for each form for the month of April 2010.

The number of fines assessed and collected, for each form, are in parenthesis.

	<u>Assessed</u>	<u>Collected</u>
Form 12A -	\$ 800.00 (4)	\$ 1,500.00 (12)
Form 15 Section I -	\$ 14,600.00 (71)	\$ 7,500.00 (36)
Form 15 Section II -	\$ 6,200.00 (31)	\$ 3,400.00 (18)
Form 15 S -	\$ 600.00 (3)	\$ 1,000.00 (5)
Form 17 -	\$ 2,200.00 (10)	\$ 1,000.00 (5)
Form 18 -	\$ 308,900.00 (1,443)	\$ 141,050.00 (644)
Form 19 -	\$ 800.00 (16)	\$ 225.00 (5)
Denial letter -	\$ 800.00 (4)	\$ 600.00 (3)
Failure to respond -	17,400.00 (87)	\$ 2,3000.00 (13)
Failure to pay Orig fine	0	\$ 200.00 (2)
Form 20	0	\$ 500.00 (5)
Form 51	0	\$ 100.00 (1)
 TOTAL -	 \$ 352,300 (1,669)	 \$ 159,375 (749)

TO: Gary M. Cannon, Executive Director
FROM: Gregory S. Line
DATE: May 11, 2010
RE: Claims
Outstanding Fines Status

Below is the status of the nine groups of carriers with 48 companies that were sent a Second and Final Notice of fines Assessment on July 24, 2009.

1. Insurance Company of North America
 - a. Beginning bal \$ 28,580
 - b. Bal as of 5/11/10 \$ **800**
2. AIG
 - a. Beginning bal \$ 56,431
 - b. Bal as of 5/11/10 \$ **4,600**
3. Federal Insurance Company
 - a. Beginning bal \$ 4,500
 - b. Bal as of 5/11/10 \$ **1,500**
4. Liberty Mutual Group
 - a. Beginning bal \$ 22,750
 - b. Bal as of 5/11/10 \$ **800**
5. Old Republic Ins. Co.
 - a. Beginning bal \$ 4,225
 - b. Bal as of 5/11/10 \$ **400**
6. Travelers Property & Casualty Company
 - a. Beginning Bal \$ 4,160
 - b. Bal as of 4/11/10 \$ **400**
- 7.. American Casualty Co. of Rdg PA
 - a. Beginning Bal \$ 5,160
 - b. Bal as of 5/11/10 \$ **825**
8. Twin City Fire Insurance Co.
 - a. Beginning Bal \$ 18,315
 - b. Bal as of 5/11/10 \$ **3,225**
9. Delhaize America, Inc.
 - a. Beginning Bal \$ 2,700
 - b. Bal as of 5/11/10 \$ **0**

TO: Gary M. Cannon, Executive

FROM: Gregory S. Line
Director of Claims

DATE: May 11, 2010

RE: Claims
Outstanding Fines Status

Below is a list of nineteen carriers that were sent a Second and Final Notice of fines Assessment on October 30, 2009

1. Zurich American Ins. Co.
 - a. Beginning bal \$ 29,167.66
 - b. Bal as of 5/11/10 \$ 4,400.00
2. Chubb Indemnity Ins. Co.
 - a. Beginning bal \$ 2,086.33
 - b. Bal as of 5/11/10 \$ 1,500.00
3. Bridgefield Casualty Ins. Co.
 - a. Beginning bal \$ 3,500.00
 - b. Bal as of 5/11/10 \$ 1,200.00
4. Accident Fund Ins. Co.
 - a. Beginning bal \$ 2,500.00
 - b. Bal as of 5/11/10 0
5. First Comp. Ins.
 - a. Beginning bal \$1,900.00
 - b. Bal as of 5/11/10 \$ 0
6. Electric Ins. Co.
 - a. Beginning bal \$ 1,100.00
 - b. Bal as of 5/11/10 \$ 0
7. Peerless Ins. Co.
 - a. Beginning bal \$ 3,900.00
 - b. Bal as of 5/11/10 \$ 400.00
8. Cincinnati Ins. Co.
 - a. Beginning bal \$ 6,300.00
 - b. Bal as of 5/11/10 \$ 0
9. OneBeacon Ins. Co.
 - a. Beginning bal \$ 3,000.00
 - b. Bal as of 5/11/10 \$ 1,100.00
10. Key Risk Ins. Co.
 - a. Beginning bal \$1,100.00
 - b. Bal as of 5/11/10 \$ 200.00

11. Arch Insurance Co.
 - a. Beginning bal \$ 3,600.00
 - b. Bal as of 5/11/10 0
12. Waggoners Trucking
 - a. Beginning bal \$ 1,500.00
 - b. Bal as of 5/11/10 \$ 0
13. State Auto Property & Cas. Ins. Co.
 - a. Beginning bal \$ 2,970.00
 - b. Bal as of 5/11/10 \$ 0
14. Virginia Surety Company
 - a. Beginning bal \$ 2,025.00
 - b. Bal as of 5/11/10 \$ 1,225.00
15. XL Specialty Insurance Co.
 - a. Beginning bal \$ 2,072.66
 - b. Bal as of 5/11/10 \$ 0
16. Guarantee Insurance Company
 - a. Beginning bal \$ 1,400.00
 - b. Bal as of 5/11/10 \$ 0
17. North American Specialty Ins. Co.
 - a. Beginning bal \$ 2,400.00
 - b. Bal as of 5/11/10 \$ 0
18. Kroger Company
 - a. Beginning bal \$ 1,400.00
 - b. Bal as of 5/11/10 \$ 0
19. Westport Ins. Corporation
 - a. Beginning bal \$ 1,200.00
 - b. Bal as of 5/11/10 \$ 0

TO: Gary M. Cannon, Executive Director

FROM: Gregory S. Line
Director of Claims

DATE: May 11, 2010

RE: Claims
Outstanding fine status

Below is a list of twenty seven carriers that were sent a Second and Final Notice of fines Assessment on January 4, 2010.

1. Travelers Casualty & Ins. Co.	
a. Beginning bal	\$ 13,172.66
b. Bal as of 5/11/10	\$ 6,000.00
2. NGM Insurance Co.	
a. Beginning bal	\$ 800.00
b. Bal as of 5/11/10	\$ 0
3. North River Ins. Co.	
a. Beginning bal	\$ 500.00
b. Bal as of 5/11/10	\$ 0
4. Auto-Owners Ins. Co.	
a. Beginning bal	\$ 400.00
b. Bal as of 5/11/10	\$ 0
5. Nationwide Mutual Ins. Co.	
a. Beginning bal	\$ 1,000.00
b. Bal as of 5/11/10	\$ 0
6. Hanover Ins. Co.	
a. Beginning bal	\$ 1,600.00
b. Bal as of 5/11/10	\$ 0
7. Central Mutual Ins. Co.	
a. Beginning bal	\$ 800.00
b. Bal as of 5/11/10	\$ 0
8. State Farm First & Casualty	
a. Beginning bal	\$ 4,000.00
b. Bal as of 5/11/10	\$ 600.00
9. Valley Forge Ins. Co.	
a. Beginning bal	\$ 300.00
b. Bal as of 5/11/10	\$ 100.00
10. Sentry Select Ins. Co.	
a. Beginning bal	\$ 510.00
b. Bal as of 5/11/10	\$ 510.00
11. Sentry Insurance A Mutual Co.	
a. Beginning bal	\$ 7,025.00
b. Bal as of 5/11/10	\$ 2,825.00

12. American States Ins. Co.		
a. Beginning bal	\$	1,295.00
b. Bal as of 5/11/10	\$	895.00
13. Massachusetts Bay Ins. Co.		
a. Beginning bal	\$	200.00
b. Bal as of 5/11/10	\$	0
14. Tokio Marine & Nichido Fire		
a. Beginning bal	\$	1,595.00
b. Bal as of 5/11/10	\$	0
15. PA Manufacturers Assn. Ins. Co.		
a. Beginning bal	\$	800.00
b. Bal as of 5/11/10	\$	400.00
16. Farmington Casualty Co.		
a. Beginning bal	\$	1,200.00
b. Bal as of 5/11/10	\$	1,000.00
17. Midwest Employers Casualty Co.		
a. Beginning bal	\$	900.00
b. Bal as of 5/11/10	\$	700.00
18. Rollins, Inc.		
a. Beginning bal	\$	500.00
b. Bal as of 5/11/10	\$	500.00
19. SC Sch Bd Self Ins. Trust Fund		
a. Beginning bal	\$	2,300.00
b. Bal as of 5/11/10	\$	0
20. Employers Assurance Co.		
a. Beginning bal	\$	500.00
b. Bal as of 5/11/10	\$	0
21. US Specialty Ins. Co.		
a. Beginning bal	\$	995.00
b. Bal as of 5/11/10	\$	995.00
22. Technology Ins. Co.		
a. Beginning bal	\$	400.00
b. Bal as of 5/11/10	\$	0
23. Premier Group Ins. Co.		
a. Beginning bal	\$	900.00
b. Bal as of 5/11/10	\$	500.00
24. Work First Casualty Co.		
a. Beginning bal	\$	900.00
b. Bal as of 5/11/10	\$	700.00
27. Cummins Engine Company, Inc.		
a. Beginning bal	\$	486.33
b. Bal as of 5/11/10	\$	486.33

TO: Gary M. Cannon, Executive Director

FROM: Al McCutcheon

DATE: May 13, 2010

RE: Outstanding Fines Status

The following is the requested status of outstanding fines in the Compliance and Coverage divisions of the Insurance and Medical Services Department:

Compliance

There are two categories for Compliance fines: cases with underlying claims; and cases without underlying claims. Cases with underlying claims are those cases in which a claim has been filed but there is no record of the employer having coverage. Cases with no underlying claims are the cases where employers are discovered to have no coverage through the search of the Employment Security Commission records or a random coverage check.

The procedure for collection of fines is as follows:

1. Employers suspected of not having insurance are sent a letter requesting verification they have coverage and are given 14 days to respond. Failure to respond and to immediately acquire insurance will result in fines being assessed at \$1.00 per day for each employee, minimum of \$10.00 per day fine; maximum of \$100.00 per day.

Twenty-nine violation letters were issued during the month of April.

2. For cases without an underlying claim, if the employer immediately comes into compliance after the initial notification, the assessed fine is \$750 for 10 or less employees and \$1,000 for 11-20 employees.

Twenty-one compliance agreements were received during the month of April.

3. If there is no response and we can prove the employer is subject to the Workers' Compensation Act, the Compliance Division subpoenas the employer to an Order and Rule to Show Cause hearing. These hearings are scheduled every 30 days.

Eighteen subpoenas were issued in April. The next Order and Rule to Show Cause hearing is scheduled for May 24, 2010.

4. Along with the subpoena, the employer is provided a letter offering the opportunity to settle in lieu of attending the hearing. However, if the employer does not settle, and the employer is found to be subject to the Act at the hearing, an order is issued finding the employer in violation of the Act. In most instances, the order stipulates maximum fines and penalties. Orders are issued 30 days after the hearing.

One order resulting from the March 24, 2010 Order and Rule to Show Cause hearing was published in April.

5. If there is no response to the order, a civil judgment is filed within 45 days.

No civil judgments were filed during the month of April.

6. Further contact with the employer (telephone and letter) is attempted by the Director of Compliance. If the employer remains willfully uninsured, the Director of Compliance files a criminal complaint with the jurisdictional magistrate. This new procedure for the Department has yet to be finalized with legal counsel.

Coverage

There are three types of fines assessed on carriers by the Coverage Division:

- A. Late filing for policies not received within 30 days of the policies' effective date.
- B. Failure of the carrier to provide a FEIN on the policy.
- C. 12M Minor Medical Fines

In January - March, approximately 200 carriers were sent a final notice on fines over 90 days old. Carriers were advised that failure to pay outstanding fines would result in a subpoena being issued requiring attendance at an Order and Rule to Show Cause Hearing. Initially, these carriers owed \$207,375 in fines over 90 days old. This total has been reduced to \$73,884 as of May 13, 2010.

TO: Workers' Compensation Commissioners

FROM: Gary M. Cannon

DATE: May 12, 2010

RE: Agency Gifts

At the April 15, 2010 Business Meeting the Commission directed me to prepare a policy to prohibit the agency receiving gifts or favors from any business or individual. As reference material I have attached the information from the April 15, 2010 Business Meeting.

Administrative Policy: Agency Gifts

It shall be the policy of the SC Workers' Compensation Commission that the South Carolina Workers' Compensation Commission will not accept any gifts or favors from any individual, employer, organization or entity for employees of the agency to share equitably. This policy does not affect the statutory and regulatory authority of the State Ethics Act and Section 501 of the Code of Judicial Conduct governing the acceptance of gifts or favors by individual employees and Commissioners and Commissioners' Administrative Assistants respectively.

TO: Workers' Compensation Commissioners

FROM: Gary M. Cannon

DATE: April 14, 2010

RE: Agency Gifts

Periodically business partners (law firms, carriers, etc.) give the agency cookies, candy, fruit and other edible products. The gifts are placed in the employee break room for all to share. On occasion area businesses also have provided the agency with complimentary sandwiches for all employees for the expressed intent of marketing their products.

This activity raises the question "...does the practice of accepting these items on behalf of all agency employees violate the agency's Administrative Policies and Procedures, State Ethics Act and/or the Judicial Code of Conduct?" Chairman Roche requested the matter be placed before the Commission for discussion.

Administrative Policies and Procedures

The agency's Administrative Policies and Procedures "Staff Conduct and Behavior" Policy 1.04 dated March 2003 establishes the policy for the code of conduct for Commission employees related to prohibited activities including the receipt of the gifts or gratuities by employees.

General Provisions

- A. No commission employee shall solicit or accept anything of value, including a promise of future employment or a favor or services from organizations, business firms or individuals with whom they have an official relationship through agency business.

Attached are excerpts from the document published by the Budget and Control Board, "Ethical Principles for South Carolina State Government Service", Canon 4 of the Code of Judicial Conduct (Rules Governing the Judiciary, Employees of the Judicial Department and Others Assisting the Judiciary) and a copy of an email from Cathy Hazelwood responding to my inquiry about the issue.

State Ethics Act

The Ethical Principles for South Carolina State Government Service, states "A person may not directly or indirectly give, offer, or promise anything of value to a public official, public member, or public employee with intent to influence the public officials, public members, or public employees official responsibilities nor is the public official, public member, or public employee to ask, demand, solicit, or accept anything of value for himself or for another person in return for fulfilling his official responsibilities or duties.

**Rules Governing the Judiciary, Employees of the Judicial Department and Others
Assisting the Judiciary**

Section 501 of the Code of Judicial Conduct.

CANON 4

**A JUDGE SHALL SO CONDUCT THE JUDGE'S EXTRA-JUDICIAL
ACTIVITIES AS TO MINIMIZE THE RISK OF CONFLICT WITH JUDICIAL
OBLIGATIONS**

D. Financial Activities.

(5) A judge shall not accept, and shall urge members of the judge's family residing in the judge's household,* not to accept, a gift, bequest, favor or loan from anyone except for:

(b) a gift, award or benefit incident to the business, profession or other separate activity of a spouse or other family member of a judge residing in the judge's household, including gifts, awards and benefits for the use of both the spouse or other family member and the judge (as spouse or family member), provided the gift, award or benefit could not reasonably be perceived as intended to influence the judge in the performance of judicial duties;

(h) any other gift, bequest, favor or loan, only if: the donor is not a party or other person who has come or is likely to come or whose interests have come or are likely to come before the judge; and, if its value exceeds \$150.00, the judge reports it in the same manner as the judge reports compensation in Section 4H; or

Commentary:

Section 4D(5)(h) prohibits judges from accepting gifts, favors, bequests or loans from lawyers or their firms if they have come or are likely to come before the judge; it also prohibits gifts, favors, bequests or loans from clients of lawyers or their firms when the clients' interests have come or are likely to come before the judge.